

Patriotic Front leaders agree to Rhodesia ceasefire

United and the Patriotic Front guerrillas concluded and signed an agreement on a Rhodesian ceasefire last night, to come fully into effect early in the new year, though guerrilla leaders have registered doubts that this is

possible so quickly. In the agreement, the Patriotic Front has won an extra assembly point in the 'heartland' for its forces. Formal signing of the ceasefire document is to take place at Lancaster House tomorrow.

'This means end of the war', British chairman says

By David Cross
London, Dec 17
The Patriotic Front guerrillas have agreed to a ceasefire with the Rhodesian Government, a move which the British Government has welcomed as a decisive step forward.



Mr Joshua Nkomo (left) and Mr Robert Mugabe after the ceasefire agreement.

ing that the negotiations are long and difficult, and were would be problems. Sir Ian Smith, as the British Government, said that the ceasefire was a decisive step forward, after the report of the Patriotic Front leaders, who had been in Salisbury for several days, had already initiated the report last Saturday.

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The ceasefire is to start seven days after tomorrow's signing and come fully into effect seven days after that. The period between signature and ceasefire day will be used for the deployment of the British and Commonwealth monitoring forces, now standing by to try to Rhodesia, and the disengagement of the Rhodesian forces.

The second seven days will be for the assembly of the Patriotic Front forces, under their own commanders and the supervision of the monitoring teams. The process of organising

like that we have accepted in order not to hold back the business of the conference," he said, "things which we believe we can in due course modify in the interests of everybody."

The agreement yesterday was in doubt until the last moment and was the result of extensive heart searching by both wings of the Patriotic Front. Britain had made it clear that there were no further concessions to be had after the granting of the sixteenth assembly place, on which the British side felt the Patriotic Front had made a strong case.

Thatcher backs boycott on Iran

By David Cross
London, Dec 17
Margaret Thatcher today backed Britain's full support for American plans to seek economic sanctions against Iran.

American officials cautioned, however, that a final decision to press for sanctions had not yet been taken. They said that a number of options were still under review.

Earlier at a welcoming ceremony on the White House lawn, Mrs Thatcher said that every British home had been following anxiously the events in Iran.

The British people admired the "patience, wisdom and self-restraint" with which the American public had reacted to the crisis, she said, and Mr Carter had won "enormous respect" in Britain for the "statesmanship, calmness and courage" with which he had faced an "agonising problem".

It was not an easy time for the Americans, but the British were their friends. "We do support you, we shall support you and let there be no mistake about it," she said to applause.



President Carter leads Mrs Thatcher by the hand to the White House.

Asked about the American hostages in Tehran, the ayatollah said he hoped they were not guilty, so that none would be executed. "But if any are responsible for events which caused the death of Iranians... then they will be severely punished," he said.

Journalists expelled, page 5

Two women were killed and several other people were injured yesterday when a high-sided vehicle had been overturned by the wind and police stopped other lorries using the motorway.

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Opec talks hopelessly split on oil pricing

From Nicholas Hirst
Energy Correspondent
Caracas, Dec 17

Ministers of the Organization of Petroleum Exporting Countries meeting today in Caracas are hopelessly split on pricing policy.

Any chance of agreement on a unified price structure, which could end the disorder in international oil markets resulting from production cutbacks in Iran, now looks slim.

A final communiqué is expected to paper over the cracks. But unless there is a substantial shift in the position of the moderates, led by Saudi Arabia, and the pricing hawks, led by Libya and Iran, wide price differentials will continue.

The price of oil has been rising since the start of the year, and the moderates are now being outvoted by the hawks.

Choice of Stansted as airport for London likely to reopen battle

By Arthur Reed
Air Correspondent

The choice by the Government yesterday of Stansted as the site for an expanded airport for London able to handle up to 50 million passengers a year by the turn of the century is likely to cause a bitter environmental battle.

While residents near the other five short-listed sites for the third London airport expressed relief, conservation groups in the picturesque towns and villages in the rolling agricultural country around Stansted prepared last night to fight the decision.

One of their main arguments is that a long-term planning inquiry into the expansion of Stansted which is to open next year is that the site has already been chosen on two occasions since the war and then rejected.

The choice of Stansted as the third London airport in all but name was announced by Mr John Nott, Secretary of State for Transport, in a sweeping review of airport policy designed to settle up to the year 2000 a problem which has bedevilled successive governments for decades.

Group on South-east Airports which, with the Advisory Committee on Airports Policy, advised the Government on sites, the total cost of Stansted will be £1,250m.

The total cost of the other short-listed sites would have been: Hoggston, £1,645m; Yardley Chase, £1,975m; Langley, £1,610m; Willingdale, £1,505m; and Maplin, £1,710m.

"We have given careful consideration to each of the sites examined," Mr Nott said. "Airports, roads and rail access, the relocation of defence establishments, all use up agricultural land, affect property and cause changes to the environment."

"The best solution must be one that avoids any premature expenditure, and leaves future governments with the maximum degree of flexibility—dependent on the growth of demand."

"Our view on the evidence so far available is that none of the greenfield sites meets these requirements. We recognize that Maplin has certain advantages."

But a commitment of over £1,000m would involve very serious risks which are unjustified when we cannot be certain that an airport of such a size might be needed."

The Government is working on the forecast that there will be a demand of between 69 million and 81 million passengers a year in London and the South-east by the late 1980s.

With a fourth terminal at Heathrow, a second terminal at Gatwick, and a new terminal building at Stansted, with the purchase of 1,500 acres of additional land and improvements to access roads, to enable the airport to handle up to 15 million passengers a year, and the "safeguarding" of an additional 2,500 acres to provide for a second runway and further terminal capacity.

Mr Nott told the House: "Our aim would be that the owners of residential and agricultural property in this wider area (the 2,500 acres) should have the opportunity of either continuing to live or farm there, pending any possible requirement for this additional land, or of selling their property at an unblemished value to the British Airports Authority."

Turkish Airlines office bombed in London

By Staff Reporters

The Turkish Airlines office in Hanover Square in London's West End was damaged by an explosion last night.

A group calling itself the Front for the Liberation of Armenia claimed responsibility in a phone call to the Agence France-Presse. Police said the IRA was not considered responsible.

The police said the 1lb device was either thrown from a passing car or placed against a window.

Only one casualty was reported, suffering from shock.

The small street connects Hanover Square with Regent Street, which was filled with sightseers looking at the Christmas decorations.

The police issued a general warning last night for the public to be wary about any unsolicited mail, specially from overseas, after a letter bomb exploded at Dover yesterday at lunchtime.

Two sorters were shaken when the device exploded inside a mailbox at Charlton Green sorting office.

The mailbox was on a conveyor belt.

Two women killed as gales sweep Britain

Two women were killed and several other people were injured yesterday when a high-sided vehicle had been overturned by the wind and police stopped other lorries using the motorway.

The Salvation Army issued many of the men with blankets and a bank was set up to provide them with money.

With winds gusting up to 80 mph causing havoc all over Scotland, there were fears last night for a climber missing in the Cairngorms.

One of the women who died was Lady Balfour, wife of the former Governor-General of New Zealand. She was crushed when a tree fell on her car near their home village of Balfour, South Ayrshire.

Her husband escaped with minor injuries.

The other woman was killed by a falling chimney stack in the Saracen Cross area of Glasgow.

Later last night 400 lorry drivers were stranded at South

wise service station on the M6 in Cumbria after a number of high-sided vehicles had been overturned by the wind and police stopped other lorries using the motorway.

The Salvation Army issued many of the men with blankets and a bank was set up to provide them with money.

ministries fail open

Government test

Churchill behaviour 'not security risk'

Mr Winston Churchill's relationship with Mrs Soraya Khashoggi, wife of the international arms dealer, did not constitute a breach of national security, the Prime Minister stated in a parliamentary written reply Page 2

Renault considering bid for BL

Renault, the state-owned French motor group, has emerged as a possible buyer for BL, the government-owned car company, in the latest major British-owned representative in the car industry. If the deal goes ahead, it would leave the French, whose Peugeot company acquired Chrysler UK last year, holding more than half of Britain's car and commercial vehicle industry Page 17

Sickness payment by employer planned

The Government proposed to make employers pay sickness benefits for the first eight weeks in any tax year, Mr Patrick Jenkin, Secretary of State for Social Services, announced. The plan will be published in a Green Paper in the spring Page 2

Nato initiative

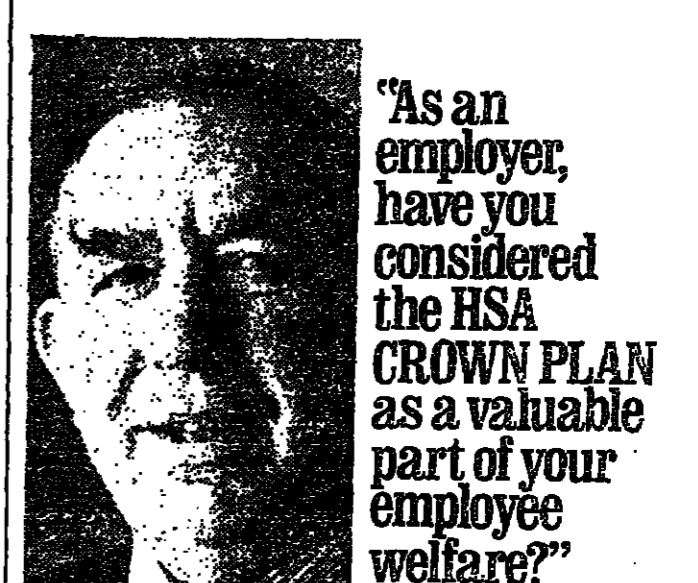
Nato has offered to pull out 13,000 American troops from West Germany if Russia withdraws 30,000 men from Eastern Europe. The Western initiative is intended to break the deadlock in the Vienna force-reduction talks and secure an interim agreement with the Warsaw Pact states Page 4

Refugees ignored

The Soviet Union and other Eastern bloc nations have done little or nothing to alleviate the plight of almost a million refugees in South-East Asia, a United Nations official said Page 6

Labour pact on Bill

Senior Labour Party politicians and trade union leaders agreed to repeal the forthcoming legislation on the closed shop and secondary picketing as soon as they return to power. They said the Employment Bill would only impede the promotion of improved industrial relations Page 2



"As an employer, have you considered the HSA CROWN PLAN as a valuable part of your employee welfare?"

asks Air Vice-Marshal A.A. Case, CB, CBE, MBIM, General Secretary of the Hospital Saving Association

The HSA is in business to pay cash benefits to employees and their families when away sick in Hospital or Nursing Home. Because it is a benevolent, non-profit-making association these benefits, in commercial terms, are outstanding.

The CROWN PLAN fixed contributions (25p or 50p a week/£13 or £26 a year) cover the whole family for a wide range of tax-free benefits - admissions to Hospital or Registered Nursing Home (£90 or £180 a month for Contributor and/or spouse; children under 16 one-third), convalescence, maternity, dental treatment, spectacles, chronic illnesses, home help and specialist consultations.

The 50p Option doubles the 25p Option benefit scales, and family cover may be further increased by husband and wife having separate memberships and cross-covering.

The CROWN PLAN has over 355,000 individual Contributors, mainly in some 6,000 commercial and industrial Groups, paying by payroll deduction. Health insurance is a valuable concession in wage negotiations and some firms now pay CROWN PLAN contributions for their workforce.

May we start a CROWN PLAN Group in your organization?

Please write to me for details of how the CROWN PLAN can give your staff financial protection in times of sickness.

Hospital Saving Association

30 Lancaster Gate, London W2 3LT
11 Randolph Place, Edinburgh EH3 7TA

Labour leaders agree to repeal picket and closed shop legislation

The agreed statement, said in full: "The representatives of the Labour Party indicated that the party would be strongly opposing the Bill in Parliament and that the next Labour Government would repeal the Bill's damaging measures, if enacted, and would consult with

Mr Jenkin pla
sickness benef

Mr. Jenkin said in his written answer that it did not seem sensible that employees could be better off sick than in work because sickness benefit was not taxable. More than 80 per cent of employees had some sickness cover from their employers, a large number of them through full wages or full wages less sickness benefit.

The Bill was given its second reading by 315 votes to 245, a government majority of 70.

The people of Consett are worried, and small wonder, with 3,750 jobs to vanish in



class had taken as much as it could stand. "We were unanimous that now is the time to make a stand, and as far as we are concerned the strike can be international," he said.

possible, although I would not suggest that it is particularly likely, that the global estimates might not provide in full for the pay settlements, in which

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Employers would be compensated for the extra cost involved by a reduction in their national insurance contributions, Mr Jenkin said. There would be consideration for the difficulties small firms might face.

the Calla Poverty Action Group, said she was not opposed to the principle taxing sickness benefit, provided it came after more fundamental reforms of the tax system to raise the threshold for low-income families.

She was also concerned that some small companies might find it difficult to pay and that sick workers would find it more difficult to obtain their rights.

Five people, including a woman, had been winched to safety by helicopter from the 500-ton vessel earlier in the day after she had developed engine trouble in heavy seas. -

More than a million Radio 4 listeners were left without

they cannot expect to receive this week the full amount of back pay due from an award made in July and backdated to

the member responsible for the Underground, said last night: "We understood the man's anger, but we felt this

VAT-inclusive pricing will be laid before Parliament as soon as possible.

Moon rises: 6.34 am Moon sets: 3.43 pm
 New moon: Tomorrow.
 E. NE England, Borders, Edinburgh, Dundee: Sunny intervals with wintry showers with snow hills; wind NW, strong to gale.

Wind W or NW, strong to severe
gale; sea very rough.

Forecasts for 5 am to midnight:
London, SE, central S England,
Wales, mostly S, SE winds; strong

Wind, W or NW, strong to severe gale; sea very rough.

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Canaries	Pas-	80	Seligman	B	frs	307
Denmark	Dkr	4.75	Cyperus	300	Mikr	
France	Frs	4	Finland	Fmk	4	
Greece	Dr	40	Holland	G	2.25	-Dns
Rials	110	Irak	ID	0.450	Spain	
Republic	Chf	Italy	L	0.000	Sweden	Sk

Country	City	Year	Score	Rank	Notes
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Algeria	Algiers	2046	63	11	
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Algeria	Algiers				

MPs cook up

posed constitutional conference

to society

The motion draws attention to the recent nuclear accident at the American Three-Mile

that the authorities have refused to publish their reports.

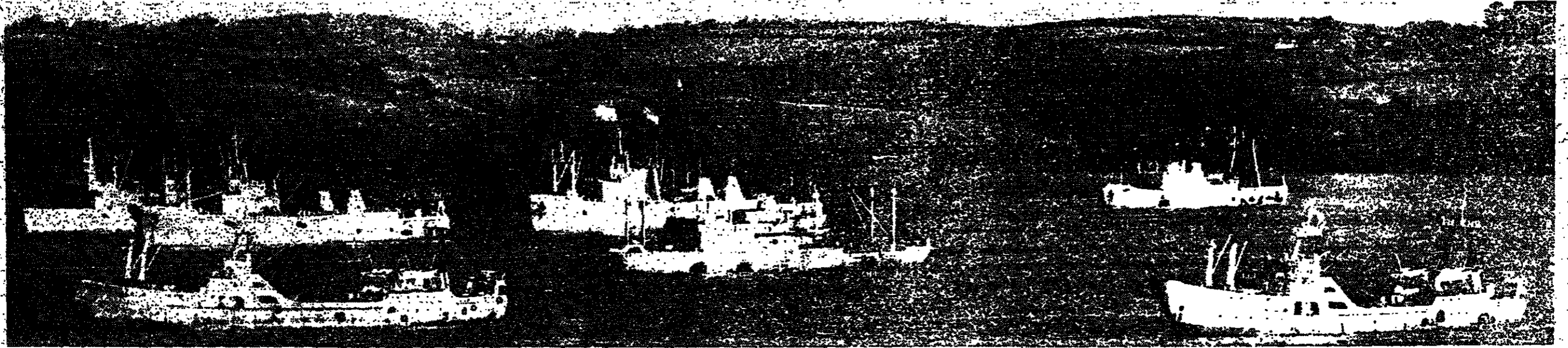
Mr. Leo Abse (Labour.

At the height of the three-week dispute over contract labour, 34 of the company's 45 terminals were shut down. The

WEATHER REPORTS YESTERDAY:
rain: 3, sun: 20, showers: 21, sleet

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HOME NEWS



professionals sail in: It looks like an invasion fleet, and a winter it is. Cornish waters in d-winter are rich in shoals of mackerel, and hundreds of fishermen from several countries have collected to reap the harvest (Trevor Fishlock writes).

At sea the invasion worries local men. They fear that large-scale fishing with modern methods will wipe out West Country

mackerel stocks in a few years. Past seasons, they say, are not being heeded and they cite the overfishing that has ruined herring stocks in northern waters and elsewhere.

On land, however, the shopkeepers of Falmouth are ringing their bells while the mackerel gather. The crews of foreign ships are enthusiastic shoppers and they return to their vessels from forays ashore in boats laden with carpets, toys, clothing, drink and lingerie. Some shops even advertise women's underwear in Russian.

The question being asked is: How long can it last? Mackerel fishing in West Country waters has been revolutionized in the past few years. It used to be carried on primarily by local men in small boats using traditional hook-and-line methods. Later the scale of fishing was increased with the development of mid-water trawling, but local men say they struck a balance between conservation and good business.

The arrival of "super trawlers" from Scotland and the east coast has changed the picture. They can make huge catches in just one cast of a net and they have been coming after the Cornish mackerel to help to repay the large investments made in them. The vessels, which have to fish on a large scale, feed the

mackerel into the foreign factory ships, which freeze or can the fish or process them into fish meal. The "super trawlers" are banded from inshore waters. But local men representing 2,000 fishermen in the West Country want the limit widened from three miles to six.

Opponents of Stansted expansion say they will fight all the way

Arthur Reed, Correspondent

The Government's choice of an expanded airport for London was the first of a thoroughly dishonest attempt to enlarge Stansted by "united" expansion into an area of almost limitless size. Mrs Susan Forsyth, campaign organizer of the North Essex and East Herts Preservation Association, yesterday said: "We have listened to the Government's statement with a mixture of anger and disgust."

As we face the task for the third time in 14 years of trying to make representations to the Government, yet another public inquiry, we can be confident of a outcome when the Government's decision has been proved, but overruled. Mrs Forsyth said that the decision, which represents local organizations, would be the proposals "all the way".

man of the association, said: "The loss of 20 homes does not sound much, but there will be no compensation for tens of thousands of people whose lives will be ruined by noise disturbance. Homes will have to be found for more than 50,000 people connected with the airport, and what was once a beautiful rural area will become highly urbanized."

Mr Derrick Wood, chairman of the Essex and Herts Preservation Association, said: "I am delighted to know that Maplin is safe. I can only feel sad for some of the people around Stansted, but the Government has come to the only possible decision."

Mr Neil Mathewson, chairman of the Stansted Area Conservation Campaign, said: "We are pleased that there will be no second runway at Stansted. But the decision to develop Stansted is sad from every point of view."

At Stansted, Gatwick, Luton and Stansted all the people who sit and suffer from aircraft have no prospect of genuine relief."

Sir Horace Cutler, leader of the Greater London Council, which has favoured the development of the Maplin site, said: "The decision, or lack of it, is disappointing. We do not agree that Stansted is cheaper than Maplin."

Mr Norman Payne, chairman of the British Airports Authority, welcomed the decision, commenting: "The case for developing Stansted emerged on merit after independent assessment. On grounds of cost, timing and land-use, it has significant advantages."

Headrow is to have a fourth terminal, and Mrs Evelyn Adee, chairman of the Federation of Heathrow Anti-Noise Groups, said: "This is not a decision, it is a shambles, and it does not answer any of the problems."

Book rights say ceiling proposed

A Staff Reporter

Proposals for ensuring that most popular authors do not cream off most of the profits available under the public lending right scheme were published yesterday in a consultation document from the Government's Office of Arts and Libraries.

Garages must continue to show prices in gallons

By Peter Waymark, Motoring Correspondent

Garages which start selling petrol in litres must continue to post the price a gallon in order to reduce possible confusion among motorists, Mrs Sally Oppenheim, Minister for Consumer Affairs, announced yesterday.

The system would ensure fair competition and leave motorists in no doubt what they were getting for their money, she added. Mrs Oppenheim will start consultations soon with garage and other motoring interests.

A voluntary programme to convert pumps from gallons to litres has been agreed by the Motor Agents' Association, which represents independent garages and the oil companies. It is expected to start in the middle of next year.

Adapting the 100,000 pumps now in use is expected to take until the end of 1982. The change to litres has been caused by the fact that many pumps cannot register prices of more than 99p a gallon. Half-price posting has brought muddles and anger.

Petrol is already supplied in gallons in litres, so the change should make for smoother accounting.

Lords to decide on David Frost tax issue

The Inland Revenue began in the House of Lords yesterday its last attempt to get an income tax assessment on the earnings of David Frost, the television personality.

Mr Frost has won rulings from Tax Commissioners, a High Court judge and the Court of Appeal that he is not liable to be assessed for income tax on the money.

Mr Conrad Deha, QC, for the Inland Revenue, told the House of Lords yesterday that the House of Lords, 1967, Mr Frost, who wanted to work in the United States, while remaining a UK resident, bought a Bahamian shell company, Landmark Productions Ltd. His concern was to minimize his tax liability on his United States earnings.

Man died after asking for punch on jaw

Walter Hallas so feared going to a dentist for treatment for toothache that he asked a friend to punch him on the jaw.

BR needs £30m to avert decline, Sir Peter says

By Michael Baily, Transport Correspondent

There will be an accelerating deterioration in British Rail's services unless investment is increased by at least £30m, the chairman, Sir Peter Park, says in an interview in the latest issue of International Railway Journal.

But in the same issue Mr Norman Fowler, Minister of Transport, says that while investment at £400m a year he is not convinced that the railways' future is at risk.

Asked about cuts in passenger services, Mr Fowler said: "It has always made it clear that it is my policy that there should be no substantial cuts in the passenger rail network."

But Sir Peter said: "There are some undoubted decisions in this business; investment must be more or the network must be less—it will be that brutally simple soon."

Choices will have to be made, priority choices. I utterly believe that railways can make a case that we are a priority to be sustained in the oil-needy future."

HMS Amethyst files to be opened to public

By Henry Stanhope, Defence Correspondent

The Ministry of Defence files on the Yangtze incident of April, 1949, when HMS Amethyst was fired by Communist Chinese batteries, will be opened to the public for the first time at the Public Record Office on January 2.

The files, which cover the attack and the Amethyst's break-out to rejoin the fleet, are being made available under the 30-year rule.

One person on view for the first time include those relating to the planning for the Canberra bomber; the development of an automatic ejector seat for the RAF; the Corfu Channel incident with Albania in October, 1946, after two destroyers, HMS Saumarez and HMS Volage, were mined with heavy loss of life; and the early

Under charge

Michael Drew, aged 23, of 10, Close, Treherbert, ondd, was remanded in custody until next Thursday at Brynpridd Magistrates' Court yesterday accused of murder.

Jury in 'vetting' case go to hotel for night

The jury in the trial at the Criminal Court of four people who, the prosecution said, were part of a band of would-be anarchists, retired yesterday to consider its verdict and last night was sent to an hotel for the night. It will resume considering its verdict today.

Modern recitals cancelled because of losses

By Our Music Reporter

The series of modern music concerts at the Festival Hall, introduced earlier this year with special subsidies through the London Orchestral Concerts Board, has been cancelled by the Arts Council because of the high cost.

Girl 'would be ill at ease'

The only girl in a class of boys would feel ill at ease and it could affect her education, a comprehensive school headmaster said at Croydon County Court, London, yesterday during the hearing of a claim brought by Helen Whitfield, aged 14, against Croydon education authority.

Man died after asking for punch on jaw

Walter Hallas so feared going to a dentist for treatment for toothache that he asked a friend to punch him on the jaw.

Suspended sentence for dead boy's stepmother

The stepmother of Dale Siddall, aged four, who choked to death after being ducked in a bath of icy water, left Birmingham Crown Court yesterday after being given a suspended prison sentence.

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Years over Scotch imports

Our Correspondent

Concern that the rapid growth exports of bulk malt whisky, especially to Japan, could mean many of the industry's 5,000 jobs was expressed by delegates at a one-day conference in Glasgow yesterday.

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CHRISTMAS

CAN LAST WEEKS WITH A BOOK TOKEN.

A Book Token makes a great Christmas gift. Book Tokens start from as little as 50p, come in a wide range of attractive cards and are available and exchangeable at over 2,500 bookshops so there's bound to be one near you. They also ensure you'll be remembered long after the celebrations are over.



The gift with imagination.

HOME NEWS

Couple's killer should be in jail for rest of natural life, judge says

From Arthur Osman, Nottingham

Arthur Hall, aged 38, who was sentenced at Nottingham Crown Court yesterday to life imprisonment for the murders of a young man and his girl friend last Easter Sunday, was told by Mr Justice Kenneth Jones: "You should be incarcerated for the rest of your natural life."

The court had been told how he shot the young man in the back of the head from close range and later said: "I did it to put him out of his misery, like a rabbit."

The judge told Mr Hall, of Hurst Farm Estate, Matlock, Derbyshire: "You, a man in normal mental health, destroyed these two young lives in circumstances of brutality and ruthlessness from which the human mind must recoil. These were most horrible crimes and I regard you as a highly dangerous man."

The judge added that he did not propose to recommend to the Home Secretary a minimum period for Mr Hall to serve, and continued: "I regard you as a dangerous man, being a man whose life imprisonment should mean precisely what it says."

He considered that Mr Hall should be held for his natural life "or until such time as your



Arthur Hall: 'highly dangerous man'

Students remain at school longer in South

By Our Education Correspondent

Wide variations in the proportion of children aged 16 to 18 remaining in full-time education in different local authority areas are disclosed in a statistical bulletin published by the Department of Education and Science. They range from 22 per cent in the London borough of Brent to only 15 per cent in Gateshead.

The statistics, for 1977-78, also show a marked tendency for more pupils to remain in full-time non-vocational education the further south they live. The staying-on rate, whether at school or further education college, starts at 20 per cent in the northern region and rises to 27 per cent in the South-east.

The bulletin says that where there is a higher proportion of non-manual workers in an area more 16 to 18-year-olds take CSE or GCE courses.

Woman held complains of assault

By a Staff Reporter

A woman arrested in last week's anti-terrorism round-up complained yesterday that police had ill-treated and assaulted her.

She said she was kept without clothing for 24 hours and painfully manhandled and hit by police officers. She was held for three-and-a-half days under the Prevention of Terrorism Act, was released and has not been charged.

Miss Valerie Greene, aged 31, of Bethnal Green, east London, said she was a supporter of the Hands Off Ireland campaign organized by the Revolutionary Communist Group. Last week a friend, the wife of an Irishman in custody, came to stay at her flat.

In brief

Concorde breaks 3-hour barrier

A British Airways Concorde flew from New York to London on Sunday in 2 hours 39 minutes 36 seconds.

The average speed for the 3,516-mile flight was 1,172 mph. The previous record was 3 hours 6 minutes.

Fell for train murder

Paul Carberry, aged 17, of Mount Street, Glasgow, was convicted yesterday at Chester Crown Court of murdering Mr John Murray, aged 21, on a train carrying Scottish football supporters to Wembley in May. He was ordered to be detained during her Majesty's pleasure.

£8,000 Tube raid

Five armed robbers escaped with £8,000 after a hold-up at the ticket office at Stockwell Underground station, south London, yesterday.

Artist dies

Sheila Fell, RA, who was described by L. S. Lowry as Britain's leading landscape artist, has died after a fall at her London home. She was 48.

Whitehall brief: Mr Channon causes consternation

Tories fail open government test

By Peter Hennessy

As the Prime Minister seeks new cuts to eliminate what she described as "bureaucracy and waste wherever it is" at last Thursday's meeting of the 192 Committee, a surprise conducted by The Times has shown that some departments have failed to provide the 10, 15 and 20 per cent options for cuts for which she called in June.

Mr Michael Heseltine, Secretary of State for the Environment, who likes to portray himself as an arch curter, disclosed last week that "the department did not offer any more than the 9.5 per cent cut announced on December 6."

"We did not do the 15 and 20 per cent options because Mr Heseltine said there would be a continuing review of functions," the official added.

Sir Geoffrey Howe, QC, the Chancellor, seems to have acted in a similar spirit of independence.

In a "background briefing" released by the Board of Customs and Excise at the request of The Times, the total saving of 4.2 per cent in the departments for which he is responsible (Treasury, Customs, Revenue and National Savings) would seem to be all that there is going to be because "there is no specific target for further savings, but ministers will continue to look for ways to reduce the cost of government by eliminating work."

Those discoveries emerged as part of an inquiry designed to be the first test of Mrs Margaret Thatcher's open government policy. It was designed to test the extent to which policy certain conditions are needed.

First, the material sought should not be something the KGB has been after for several months. Secondly, it should be common to all departments so that an index of relative openness can be compiled.

The report recommends the development of a new system under which grades awarded in GCE and CSE examinations would be based on a common set of nationally agreed criteria related to specific levels of attainment and mastery of skills.

The present norm-referenced system of grading, under which a set proportion of candidates is expected to achieve a particular grade year after year, does not relate directly to quality and invites grading standards to float, with change over time in the quality of the entry.

The report has been drawn up by the Schools Council Forum on Comparability, which was set up two years ago. It includes representatives of schools, universities, examination boards and the Schools Council.

Employers, parents and other users of examination results were consulted by what public examinations meant and often attributed far too precise a degree of equivalence to examination results.

For example, when employers or universities required so many "O" or "A" level "passes" at particular grades in unspecified subjects, they clearly have simple subjects in some sense, between different subjects at a given grade. Yet what precisely that equivalence was far from clear.

Users tended to define equivalence of grade standards within a single subject in terms of mastery of skills and concepts. Thus, two candidates who had obtained the same grade in a given subject, regardless of board, mode or year, were expected to have attained the same mastery of that subject.

But even where two candidates had followed the same syllabus, had taken the same examination papers and had attained the same grade, they might have simple subjects in some sense, between different subjects at a given grade. Yet what precisely that equivalence was far from clear.

The report calls for a reduction in the number of subjects and the creation of nationally agreed grade definitions. Standards in public examinations were confused by what public examinations meant and often attributed far too precise a degree of equivalence to examination results.

Mr Rhodes Boyson, Parliamentary Under-Secretary of State for Education, showed a "pitiful ignorance" of universities when he suggested that the Government's new policy on overseas students need not lead to a fall in Professor Geoffrey Sims, Vice-Chancellor of Sheffield University, said in his address to the university's annual meeting yesterday.

In times of economic stress the universities must expect to bear their share of hardship, Professor Sims said. But seldom, if ever, had cuts of such magnitude been imposed; seldom had there been such a policy of higher education and never had such action been based on "so curious a hypothesis."

Sheffield University could lose up to 12 per cent of its income because of the Government's decision that overseas students should be charged full costs, he said.

Adult literacy: Government support for adult literacy is to be continued for at least a further three years, and £500,000 to be made available in 1980-81 for the development of an adult literacy and basic skills unit.

Mr Mark Carlisle, Secretary of State for Education and Science, announced in the House of Commons yesterday.

the Civil Service Selection Board and the Final Selection Board.

He claimed yesterday that the committee set up by the commission to carry out any analysis appropriate to the question of bias.

Mr Mays found that candidates from Oxbridge and private schools and men, were given better Civil Service Selection Board total marks on written tests than their individual scores and ratings seemed to justify. He found even stronger "unsupported bias" in favour of Oxbridge graduates.

"These subjective judgments cannot be viewed as valid measures of the candidates; indeed they may tell us more about the assessors than about the assessed."

Among candidates of the same ability as measured by every test, exercise and subjective assessment of personality and intellect, those from Oxbridge have a better chance of selection in the final judgment," Mr Mays says.

The size of the Oxbridge bias could be quantified. Decisions were to be based only on written tests and ratings made during selection, then in 1975 about 49 per cent of successful graduate entrants would have had an Oxbridge background. In fact, of those offered appointments, 68 per cent had attended Oxford or Cambridge universities.

It contradicts the findings of the commission on the selection procedure for the recruitment of administration, set up by the Civil Service Commission, whose report was published last week. The committee said that it was entirely confident of the commission's commitment to fair competition and selection by merit.

The reason why there appeared to be a bias in favour of Oxbridge graduates was because a higher proportion of Oxbridge graduates had first-class degrees, and a higher proportion had become administration trainees.

Mr Mays based his report on an analysis of data on 600 candidates in the 1975 competition for the recruitment of administration trainees, including written test marks and exercise ratings, subjective assessments of behaviour, and the final grade assigned to each candidate by



Mr Paul Channon: Off to a splendid start.

Thirly, it should be a "major issue of parliamentary interest," where an announcement has already been made, to qualify under the terms of the Prime Minister's open government letter of June 20.

The Civil Service manpower cuts exercise fitted the bill perfectly. All 22 departments listed in the December 6 announcement were asked formally, under the June 20 letter, to release their 10, 15 and 20 per cent options.

By noon yesterday 21 had replied—three agreeing to the request (Civil Service Department, Customs and the Stationery Office), two replying "not yet" (Education and Overseas Development), and 15 giving "no".

The Scottish Office compromised, disclosing round figures for the number of posts and the amount of money to be saved at each level, but refusing to give details.

The inquiry got off to a splendid start. Mr Paul Channon, Minister of State at the

Civil Service Department, who answers questions on open government in the Commons, released his ministry's documents without hesitation.

The generous act caused consternation in the rest of Whitehall.

The first line of defence was members of information divisions telephoning the Civil Service Department to see if Mr Channon had actually done what The Times was claiming he had.

The second, with two noble exceptions, was to dress up ways of saying "no". For consultants of Whitehall secrecy here is a selection of negative replies and the reasons given for them:

"The options were purely hypothetical, the decision has been made, and that is the end of the matter."

"The Treasury declines to give reasons" (for saying "no").

"Our options are based on budgetary considerations and so they are ministerially confidential."

"Ministers do not feel it appropriate to disclose this information because the options are secret and include possible policy changes, some of which would need to be announced in Parliament."

"The staff side had not had the information. I could not give it to them, and I have refused to give it to them."

"The manpower exercise is a continuing one."

"Home Office: 'After careful consideration the Home Office has decided that it is unable to let you have the information you have requested'."

With the glowing exceptions of the Civil Service Department, Customs and the Stationery Office, Whitehall collectively has failed miserably the first test of the Prime Minister's open government policy. If it cannot be applied to the routine internal affairs, what can it be expected to divulge?

National standards urged for public examinations

By Diana Geddes, Education Correspondent

Any meaningful comparison of the results obtained by pupils in public examinations is impossible under the present system of grading according to Schools Council report published today.

The report recommends the development of a new system under which grades awarded in GCE and CSE examinations would be based on a common set of nationally agreed criteria related to specific levels of attainment and mastery of skills.

The present norm-referenced system of grading, under which a set proportion of candidates is expected to achieve a particular grade year after year, does not relate directly to quality and invites grading standards to float, with change over time in the quality of the entry.

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Sheffield University could lose up to 12 per cent of its income because of the Government's decision that overseas students should be charged full costs, he said.

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Among candidates of the same ability as measured by every test, exercise and subjective assessment of personality and intellect, those from Oxbridge have a better chance of selection in the final judgment," Mr Mays says.

The size of the Oxbridge bias could be quantified. Decisions were to be based only on written tests and ratings made during selection, then in 1975 about 49 per cent of successful graduate entrants would have had an Oxbridge background. In fact, of those offered appointments, 68 per cent had attended Oxford or Cambridge universities.

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WEST EUROPE

Nato offers to pull out 13,000 US troops to break Vienna deadlock

Vienna, Dec 17.—Nato offered today to pull out 13,000 American troops from West Germany in exchange for the withdrawal from Eastern Europe of three Soviet Army divisions, totalling 30,000 men.

If accepted, the plan would represent the first agreed pull-back by East-West forces since the Second World War. It would be a major step towards a programme of reductions in manpower and arms sought by both sides in six years of difficult negotiations.

The initiative was described by Western diplomats as a "determined attempt to break the deadlock in force-reduction talks in Vienna and to get an interim agreement signed soon between Nato and the Warsaw Pact."

Nato officials hoped for a quick response, because the proposal resembles a withdrawal plan tabled by the seven nations of the Warsaw Pact 18 months ago.

The Nato offer was the key element in a "large and complicated" package of proposals passed to Warsaw Pact negotiators at an informal meeting here yesterday.

The withdrawal of 30,000 Soviet troops from Eastern Europe would provide a symbolic start for a "thinning-out" process, the officials said. The Soviet Union has 31 divisions in East Germany, Poland, Hungary and Czechoslovakia.

The Nato package included proposals for a range of associated measures, such as advance warning of manoeuvres, troop movements and on-site inspections.

Communist diplomats said their first reaction was that the offer of an American pull-back of 13,000 men "was inadequate."

The Nato proposals replaced an original Western plan for a first-phase withdrawal of 68,000 Soviet and 29,000

American troops. Nato said the tough, one-on-one advance for the West was justified because Warsaw Pact manpower exceeded total Nato forces by about 150,000 men.

The Communist negotiators said they hoped the new plan would help to sidestep the dispute over the Warsaw Pact manpower figures that has stalled the Vienna talks for the past two years.

However, Nato officials said agreement on manpower figures was still essential, even for a limited pull-back of American and Soviet troops. Eventually, the two sides hope to agree on cuts which would reduce each alliance to total ground forces of 700,000 men.

Henry Stanhope, Defence Correspondent, writes: "Nato needs to improve its communications systems urgently, to compensate for its relative shortage of troops and equipment, according to Mr R. Raggett, editor of *Jane's Military Communications*, 1979-1980."

In any future conflict, the Soviet Union would put great emphasis on electronic countermeasures to disrupt Western forces, using information gathered through signals intelligence.

Mr Raggett says it is vital for the West to develop equipment with electronic countermeasures as a result.

Pointing to two areas of particular concern for Nato, Mr Raggett says one is the need to develop a communications command and control system capable of surviving a nuclear attack, so that a retaliatory strike can be carried out. The other is the West's continuing inability to get the grip with the need for compatible communications.

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Compromise formula ends Danish crisis

From Our Correspondent, Copenhagen, Dec 17

After a weekend

WEST EUROPE

Nine agree to reduce use of aerosol gas to protect ozone layer

From Michael Hornsby,ussels, Dec 17.

EEC ministers of the environment agreed here today on measures to reduce the threat to the world's ozone layer from the use of aerosol gas.

The Nine will reduce the use of CFCs in aerosol cans by 30 per cent by the end of 1981, and will also ensure that total production of the gas in the community does not grow beyond the present level.

The Dutch and the Danes agreed in favour of a total ban on the gas, but other members, including the British, argued that scientific evidence on the danger to the Earth's ozone layer was still too inconclusive to justify such draconian action.

To appease Denmark and Ireland, it was agreed that the EC should monitor the emergence of any new scientific evidence and decide before the end of June 1981 whether even tighter controls on CFCs use are required.

Some scientific findings suggest that CFCs thin out the ozone layer and thus permit more ultra violet rays to penetrate to the Earth's surface, causing increased incidence of skin cancer.

West Germany has three plants producing the gas, Britain, France and Holland two each, and Italy one. In addition, there are some 200 small companies in Europe which buy CFCs and put it into cans, and they would be severely hit by a ban on the use of the gas.

A considerable percentage of CFCs is used for aerosol propellant. The rest is used for the manufacture of refrigerators, foam rubber, air-conditioning equipment and solvents.

The ministers, including Mr Tom King, Minister of State at the Department of the Environment, were also expected to take a decision on limiting sulphur dioxide pollution.

Another issue was the need for a ban on import of primary waste products, mainly from Italy's fine leather industry.

Britain contends that satisfactory economic substitutes for whale oil are available.

Bretons and Normans in out-throat competition or favour of British kisses

From Ian Murray,Paris, Dec 17.

This year the Norman farmers tried to corner the market by sending off their mistletoe at the end of November. The Bretons had thought of that, too. They sent over 36 tons in the week ending December 2 alone.

In Normandy in what is left of the mistletoe trade they speak darkly of the "loyalty" of the Celtic population to the west.

The Normans are still not resigned to the fact that in recent years Brittany has surged ahead with its agriculture and has taken the proud title away from Normandy of premier milk producer in France.

The Bretons, however, can claim that perhaps they were the first to export mistletoe to Britain. For it was there that the Druids, who regarded the mistletoe as sacred because it grew on oak trees, worked out the ceremonies which they later introduced into Britain.

On the eleventh night after the winter solstice the Druids, armed with sickle, would ceremoniously cut the mistletoe, symbol of the immortality of the soul and the eternity of the world.

The modern Breton cuts it a little earlier than that and tends to use an axe rather than a sickle. As far as the Normans are concerned, the mistletoe has become a symbol of the immortality of the soul and the eternity of the world.

Just the following year the Bretons began to invade the British market and the price of the Breton mistletoe fell to 10 francs a crate, down from 15 francs a crate. At that price it was worth fuelling the transport and buying the trees.

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Extremists kill young man Rome ambush

From Dec 17.—A 24-year-old man, apparently mistaken for a wing lawyer, was killed by a group of extremists in a street suburb of Rome today.

He said that the terrorists were waiting in a parked car, and he was shot at the rear of the car. Later the car was set on fire and the man was killed.

The man was identified as a lawyer, and was the brother of a prominent lawyer.

The man was killed in a street suburb of Rome today.

East Germans free 22,000 prisoners under amnesty

From Patricia Clough,East Berlin, Dec 17.

Nearly 22,000 people have been released from East German prisons under an amnesty to mark the 30th anniversary of the German Democratic Republic.

The amnesty was announced by the East German government, and was the largest amnesty since the end of the Second World War.

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OVERSEAS

Foreign press lectured on why Iran must expel 'Time' men

From Robert Fisk,Teheran, Dec 17.

Mr Abolhasan Sadeq walked into the Iranian Ministry of National Guidance this morning with the printed expression of a headmaster forced at last to deal with a persistently unruly class. It was clear an expulsion or two was in the air.

The Ministry, whose disturbing title sounds less Orwellian in the Persian language, contains an underground auditorium where the entire Iranian press is gathered like a school hall, and there we waited to hear the worst.

Mr Sadeq, Director of Foreign Press at the Ministry, took his place at a desk on a small podium and stared down at us severely.

"I want to share with you a bit of agony we are going through with regard to the foreign media," he began.

"With great displeasure, we are expelling the entire 'Time' magazine crew from Iran."

"It mattered little that the 'entire' staff of 'Time' in the country numbered just two. In fact, the expulsion of many foreign correspondents from the Iranian Government was growing more sensitive to critical reports in the overseas press."

This was not how Mr Sadeq saw things. There were more than 300 foreign journalists in Iran from more than 30 countries, he said, and they were free to travel and write what they wanted. But 'Time' had gone too far.

He flourished a bunch of front covers from the offending magazine, one of which carried Ayatollah Khomeini's assertion that "America is the great Satan." Another copy carried an unflattering portrait of the Imam.

"Since the problem of hostages has come up," Mr Sadeq said, waving the latest issue of 'Time' in his hand, "this has done nothing but arouse the hatred of the American people. The front covers have been like a hammer on the brain. The magazine has created some very irrational reaction on behalf of the American people."

However, 'Time' has not been the only news organization to feel Iranian wrath in recent weeks. Eight days ago Mr Alex Efthymiou, a correspondent for the Associated Press, was expelled for allegedly distorting news of the rioting in the Azerbaijan provincial capital of Tabriz.

The British have also fallen foul of Iranian anger. Ten days ago Mr Enayat Eftehadi, of National Iranian Radio and Television, was sitting in a London hotel watching BBC television news when he saw a report from Tehran about the condition of American hostages held in the United States embassy.

Mr Eftehadi, a senior BBC reporter, described in unpleasant detail how the hostages had their hands bound with rope and were forbidden to talk to each other or receive news from the outside world.

Mr Eftehadi immediately telephoned Tehran and instructed Iranian television to refuse BBC crews any further use of satellite facilities. For more than a week now—even though the American networks are allowed to beam programmes live into the United States from Tehran—the BBC has been forced to ship all its film unprocessed by air to London, where it usually arrives a day late.

Although Mr Eftehadi claimed today that he had taken exception to four separate news reports, it is clear that a major item of contention is the BBC's Persian-language service, which has a wide audience in Iran.

Mr Sadeq indirectly acknowledged this himself when he brandished a sheaf of papers and said that complaints about the BBC's Persian service were arriving in his office from "all over Iran."

The American broadcasting stations did not escape. Mr Sadeq complained that the Columbia Broadcasting System had compared the embassy students with the Baader-Meinhof terrorist gang, and that the American Broadcasting Company had interrupted an interview with the students with a State Department analysis "that would make any Iranian look like an idiot."

Mr Sadeq was confident about his broadcast. He loudly referred to the fact that one of the 'Time' correspondents had once worked for the American Central Intelligence Agency. "Yet still I let him into Iran," he said.

He was referring to Mr Bruce

Van Voorst, who worked as a research officer in Washington for the CIA in the late 1950s. However, since 'Time' has just secured an interview with Ayatollah Khomeini—the magazine will apparently make him their "Man of the Year"—Mr Van Voorst is not likely to worry too much about Mr Sadeq's remark.

To be fair to Mr Sadeq, there has been no foreign press censorship in Iran and overseas correspondents are allowed to travel where they wish and write whatever they want without "guidance" from the Ministry. At no time, for instance, has 'Time' been prevented from reporting on any subject.

Mr Sadeq's department has also just proposed a revision to Article 11 of the country's press laws, the controversial clause that holds foreign correspondents responsible for everything that appears in their newspapers.

But there is sometimes a pettiness about the Government's response to overseas press coverage, a pettiness sprouting from patriotic anger rather than forethought.

Nobel man will be invited for Tehran jury

Teheran, Dec 17.—Mr Sean MacBride, the Nobel Peace Prize winner, and a French lawyer, M. Louis-Edmond Petiti, will be invited to take part in an international "grand jury" to investigate espionage charges against the American hostages, Tehran radio said today.

Mr Sadeq Qorbadeh, the Foreign Minister, has said the Government will appoint an international "grand jury" to investigate the "crimes" of the United States and the Shah.

In Dublin, Mr MacBride said his participation would depend on the inquiry's terms of reference and on who else was involved.

M. Petiti, president of the Paris Bar Association and of the International Organization of Catholic Jurists, said in Paris that he would also have to know the conditions. Neither man had yet received an invitation.—AP and Reuter.

Martyrdom theme in Iran's art

From Robert Fisk,Teheran, Dec 17.

Revolutions and civil wars rarely inspire great art. Picasso's 'Guernica', Mexican revolutionary painting and perhaps two of the Soviet realist portraits of Lenin are possible exceptions to this general rule.

Iran's revolution has been so sudden and so uncompromising that it has produced little more than wall posters of Ayatollah Khomeini triumphing over the Shah, a mixture of Breughel-like simplicity and comic-strip allegory.

But the Tehran Museum of Contemporary Art, a domed concrete structure originally owned by the Pahlavi Foundation, has just opened an exhibition of Iranian revolutionary art that could attract the interest of international critics.

The paintings and sketches—many of them by university students but several by established Iranian artists—dwell almost exclusively on the martyrdom theme of the revolution and the horrors of a medieval Flemish triptych of hell.

It is not great art. Tormented bodies writhe in pain and undignified while men flee from the side of the picture. In the centre, a woman screams with pain as a knife is thrust into her stomach.

Inevitably, the powerful works are less dramatic in theme. A magnificent canvas by Palangi depicts Iran's rural migration to the cities, an historical event which ultimately turned much of the population against the Shah.

In a style strongly reminiscent of Kokoschka, "Migration" shows a line of wretched men and women walking hopelessly across a dark landscape.

Undoubtedly the most striking work is a female artist, Farah Noosh, it bears no title but shows a group of women in black veils waiting for news of their husbands and sons who have been imprisoned by the Shah.

They stare at the viewer, their faces expressionless and their clothes—their whole bodies—blown by the wind.

In the very centre of this dark huddle is a woman holding a child inside her veil. All that is visible of the infant is its tiny arm which reaches up towards the mother's face. The child is obviously wearing a crimson jacket, but the arm appears blood-red.

Iranian painters, however, have clearly experienced difficulty in keeping their bitterness



Manochar Safar-Zadeh's painting gives a new meaning to the traditional martyr figure in Iranian art. Demonstrators carry victims of the Shah's army.

green flag of Islam, bearing aloft a martyr whose body is sheathed in white cloth and whose head has fallen to one side.

For hundreds of years, martyrdom has been an essential theme in Persian art. Elsewhere in the museum, old miniatures portray the death of Imam Hussein, the grandson of the Prophet who was killed at the battle of Karbala. His corpse, shrouded in white and carried by black veiled women, is carried by his followers.

In another panorama, this time by Alkhas, a Tehran University teacher, a crowd is surrounded by skeletons, skulls, bones and smashed rib-cages are piled in heaps around the figure of a martyr while a woman holds out the blue-swaddled figure of a child.

Hebibi Safeghi painted in secret before the revolution and one of his works contains all the horrors of a medieval Flemish triptych of hell.

It is not great art. Tormented bodies writhe in pain and undignified while men flee from the side of the picture. In the centre, a woman screams with pain as a knife is thrust into her stomach.

in check. Nilfar Gaderi-Neraz's "Young Revolutionaries" is of a student, his face contorted with rage, standing beside shrouded corpses.

Less effective, though in their way more disturbing, are Bahram Palangi's comic-strip paintings in which shrouded bodies hang in the sky, their throats running with blood while crude portraits of Dr Khomeini, President Carter and General Dayan depict them watching the Shah's female relatives entertaining their lovers.

It may be a while before such mutations are abandoned.

Embargo on maize shipments to Zambia ended by order of Governor in Salisbury

From Nicholas Ashford,Salisbury, Dec 17.

Lord Soames, the Governor of Southern Rhodesia, today ordered the removal of restrictions on the shipping of maize to Zambia.

The Rhodesian government had imposed an embargo on maize shipments to Zambia, but the Governor has now ordered the removal of these restrictions.

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Mrs Thatcher welcomed to White House

Continued from page 1

from a large crowd gathered on the White House lawn.

Welcoming the Prime Minister at the beginning of a two-day visit, President Carter said Mrs Thatcher and her Government had been in the forefront of those who had helped his country in every possible way from the first moment the hostages were taken.

He said the British were always "staunch allies and staunch friends."

Mrs Thatcher, who was making her first official visit to the United States since she became Prime Minister, wore a royal blue coat and hat to protect her from a chill wind which brought the temperature well below freezing.

Welcoming ceremonies in Washington for heads of government and state are an occasion for American presidents to wax lyrical about the close ties between the United States and the nation represented by the visitor.

President Carter has always been more effusive in his praise than many of his predecessors, and today was no exception.

It was to Britain that the United States owed its heritage, political faith and civilization, Mr Carter said.

After her talks with Mr Carter and his foreign policy advisers at the White House, Mrs Thatcher was meeting Mr Harold Brown, the Secretary of Defence.

She travels to New York tomorrow to see United Nations officials, including Dr Kurt Waldheim, the Secretary-General, and to address the American Foreign Policy Association.

Ayatollah Khomeini tonight dismissed hopes that the American hostages might be spared a spy trial (Robert Fisk writes from Tehran).

Speaking in Qom, he appeared to contradict the Iranian Foreign Minister who yesterday suggested that some prisoners might be sent home for Christmas.

Tonight the Ayatollah repeated his original demand. "Give us the criminal (Shah) and we will release the hostages," he said. "Otherwise we will try them."

Nuclear powered aircraft carrier for Soviet Navy

From Richard Halloran,Washington, Dec 17.

The Soviet Union is building its first nuclear powered attack aircraft carrier, marking a major step forward in Moscow's plan to assemble a powerful deep water navy according to defence officials here today.

They said that the head of the Soviet Navy, Admiral Sergei Gorshkov, recently acknowledged to American diplomats in Moscow that the ship was under construction. There had been rumours.

Naval experts said the ship would be similar in size to the United States carrier Forrestal, which displaces 78,000 tons when fully loaded and carrying 85 aircraft. The Soviet Union has two 43,000-ton carriers and two more are being built.

The experts expected the Soviet Union to build four or five of the large aircraft carriers and to surround them with other warships to form battle groups, in the American manner, in project Soviet naval power anywhere in the world.

Officials also disclosed other recent developments that added to the Soviet Union's transformation of its navy from a coastal defence force to a worldwide ocean going navy.

To overcome the drawback of her ice-bound ports, the Soviet Union has built a 40,000-ton replenishment ship, the Bereznina, as large as any in the American fleet and naval experts here say they have evidence that two more will be built.—New York Times News Service.

Move to clean up the Caribbean

By Tony Samways

After persuading 17 Mediterranean countries to cooperate in controlling land-based pollution, Dr Stepan Kekes, director of the regional seas unit of the United Nations Environment Programme, has set his sights on the Caribbean.

The Mediterranean agreement, which is to be signed at Athens in July, is one of the few success stories to date in the field of international pollution control.

Repeating it will not be easy. Dr Kekes is confident, however, that the European example will not be lost upon the technicians and scientists from more than 30 countries, including Britain, when they meet for preliminary discussions at Caracas on January 28.

The Caribbean scheme has yet to be worked out in detail, but would include a pilot project to control pollution in the Bay of Havana and quite possibly the establishment of a centre for environmental research, based in St Lucia.

Dr Kekes said at the weekend that he was optimistic about the Caribbean programme because he had sensed a change in the attitudes of the governments concerned. He attributed this change to a series of ecological disasters in the region during the past eight months.

The runaway oil well at Campeche Bay off the Mexican coast was the most spectacular of the accidents. It was said

leaking 5,000 barrels of oil a day and, in terms of oil spillage, if not direct damage to coastal areas, would end up polluting almost 600,000 tons, the equivalent of two Amoco Cadiz's.

There had also been two significant oil spillages in the Caribbean from lost tankers near Tobago and Antigua.

Such accidents tended to create "psychological turning points" in the bureaucratic mind, Dr Kekes said. The Italian cholera outbreak of 1973-74 had made Europeans aware of the appalling conditions in the Mediterranean, and the Amoco Cadiz itself had been a milestone in international perception of the dangers of oil pollution.

Warsaw Mass for victims of food price riots

Warsaw, Dec 17.—About 1,000 people packed a Warsaw church tonight to honour the memory of Polish workers who were killed in food price riots nine years ago.

Police arrested Mr Adam Michnik, a prominent dissident historian, outside the Franciscan friar's church in an attempt to silence the demonstration for the victims of the bloody uprising.

Dissident sources said Mr Michnik was later released by police. He was the seventy-sixth dissident detained by police in a week-long round-up preceding the anniversary.

As usual, opposition groups prepared for the demonstrations last week, police detained more than 100 persons. Some were released within the legal limit of 48 hours but most others were still in custody.

Dissidents had advertised the Roman Catholic service at the Franciscan friar's church as a requiem Mass for the workers who died in the rioting in Poland's Baltic port cities. The service turned out to be a normal Advent Mass, and the officiating priest made no mention of workers shot by police on orders of Poland's communist leaders.

After the Mass ended, a dissident stood up in church and called on Poles to cherish the memory of the dead workers. Tomorrow, dissidents planned to lay a wreath at the shipyard gate in Gdansk, where workers proclaimed nine years ago that they would fight against the food price increases.

Miss Anka Kowalka, speaking for the dissidents, said 14,000 posters were put up in Warsaw to advertise the Masses and wreathlaying ceremony.—AP

OVERSEAS

Seychelles tense as bishops are denied access to detainees

From Charles Harrison
Nairobi, Dec 17

The Anglican and Roman Catholic bishops in the Seychelles have issued a joint pastoral letter expressing concern about the situation in the islands where over 80 people were recently arrested and detained after President Albert René announced the discovery of a plot to overthrow his government with the assistance of mercenaries.

A curfew is still in force and security remains tight. Heavily armed Tanzanian troops, who have been in the islands since the 1977 coup which brought President René to power, man roadblocks and patrol the main island, Mahé.

The Soviet guided missile cruiser Marshal Voroshilov left Victoria, the Seychelles capital, a few days ago after being anchored off the port for two weeks.

Travellers arriving from the islands say the situation there remains tense. The Seychelles is a prominent institution in the centre of Victoria, was closed at the weekend when members were told the government had taken it over for use as a youth centre.

Business is depressed and although hotels are fully booked with tourists for the Christmas season there are fears that the tourist industry, mainstay of the Seychelles economy, will suffer in the New Year.

The Anglican Bishop, the Right Rev French Chang-Him, and the Roman Catholic Bishop, Mgr Felix Paul, took the exceptional step of issuing a letter saying they have been unable to discover how many people that have been detained and that they have been denied access to the prison.

They express concern for the families of those detained and ask that they be brought to court if there are charges against them, otherwise they should be freed.

"We ask that justice be done," they state, adding: "We wish to make it clear that we do not approve of violence and that we do not approve of a plot to kill anyone. But we cannot approve of injustice or a situation which is contrary to human rights."

The letter is published in the Roman Catholic newspaper, *L'Echo des Isles*. It fills the back page of the latest issue. It was learned today that the names of 87 people detained had been smuggled out of the main prison in Mahé and that the list had already been supplied to Amnesty International in London. Amnesty is understood to be approaching the Seychelles Government for information on the situation.

The list includes Mr Chanery Chetty, a former Seychelles Finance Minister; Mr Gilbert Horan, the Chief Immigration Officer; and Mr Bernard Verlaque, editor of the independent newspaper *Weekend Life*. All are Seychellois except for a French subject, M Jacques Chevalereau, who was an adviser to the Seychelles police. One man who was detained, Mr Albert Bedier, has been released and is now in London. He said he was given no reason for his arrest and detention for three weeks, and was never interrogated about the alleged coup plot.

He added that only about 15 or 20 of the detainees had been interrogated, mainly in efforts to find those responsible for a number of anonymous leaflets attacking the René Government which have been widely distributed.

Diplomatic sources report that France has ordered the recall of its six technical assistance personnel working in the Seychelles and has also asked the Seychelles Government to release M Chevalereau, who was recently named by President René as the leader of the plot to overthrow his Government.

Begin coalition forced to amend abortion law

From Christopher Walker
Jerusalem, Dec 17

A controversial amendment to the Israeli abortion laws was pushed through the Knesset today by 58 votes to 53.

The amendment was forced on the Menachem Begin, the Prime Minister, by a handful of ultra-orthodox deputies. They threatened to withdraw their support unless the coalition ended the right of Israeli women to secure legal abortions for social reasons.

A month ago the coalition came close to collapse when it failed to secure the first reading of the Bill after a tied vote of 54 to 54. As a result, Mr Begin took a political gamble and made the issue a vote of confidence in his Government.

As the packed public galleries of the Knesset indicated, today's debate was far beyond the significance far beyond the single topic of abortion. For many people the real issue was the increasingly pervasive influence on Israeli society of the religious minority.

Reform of the abortion laws was one of 36 religiously-motivated demands made by the Agudat Israel party when it agreed to back the coalition after the 1977 election. It has already secured a few permits

religious women to avoid national service and now plans to press hard for legislation which will make it much more difficult for doctors to carry out post-mortem examinations.

The growing political influence of these ultra-orthodox, many of them rabbis, is causing resentment. This afternoon at the Knesset demonstrators chanted the slogan "down with Khomeinism" at orthodox Jews arriving to attend the debate in their long black coats and black hats.

After the result was announced, Mrs Shulamit Aloni, a deputy representing the civil rights movement, told reporters: "This vote has shown that our nation is now run by the ultra-orthodox who are anti-Zionists. That is the real shame. They laid down the law and Begin's coalition has obeyed their command."

The women who will be affected by the change in the law will mostly be from the lower income groups. An indication of the public mood on opinion poll published this morning. Of those questioned 70 per cent came out against the amendment compared with only 20 per cent in favour.

Mrs Gandhi's son faces metal sale charges

Delhi, Dec 17—Sanjay Gandhi, son of Mrs Indira Gandhi, the former Indian Prime Minister, was accused today of the illegal sale of iron and steel acquired for use in his failed Maruti car manufacturing project. The case was registered today by the Central Bureau of Investigation.

Mr Gandhi who is campaigning in northern Uttar Pradesh state for next month's general election is alleged to have illegally sold part of 6,066 tonnes of iron and steel which have been for use in the plant between 1971 and 1975.

He already faces at least 20 cases before the courts, most of them arising from alleged mismanagement of the 21-month emergency rule.

Cattle grazing threatens survival of rare wombat

From Our Correspondent
Melbourne, Dec 17

The Queensland hairy-nosed wombat is facing extinction because of cattle grazing. There are fewer than 40 of the creatures left in Queensland's Epping Forest National Park, according to Mr M. Gaughwin, an Adelaide research worker.

Mr Gaughwin says that the wombat needs abundant food for its survival. The food source was threatened. Because of cattle grazing the food source was threatened.

Mr Gaughwin, who was asked by the Queensland Government to supply information about his work on another member of the species near Adelaide, said research was needed on the hairy-nosed wombat.

Moscow Jews see first Yiddish theatre since Stalin

From Michael Binyon
Moscow, Dec 17

The past two weeks have seen an event of enormous significance and pride for Jews in Moscow. For the first time since the Stalinist era an authentic Jewish theatre group has been allowed to perform works written and sung in Yiddish to capacity audiences in central Moscow theatres.

The group is the Jewish Musical Theatre, founded two years ago in Birobidjan, the Jewish autonomous region in the far east of the Soviet Union. In spite of initial opposition from senior party officials, it has been allowed to come to Moscow on a tour of Soviet cities with large Jewish populations.

The two works, an opera called *A Black Bride For The White Mare*, and a more light-hearted musical review called *Let's All Do It Together*, have been widely praised by the Soviet press as an important milestone in the cultural life of the multinational Russian federation, by the influential head of the Russian Republic's Union of Writers, and there

have been indications that the group has received the official blessing of the cultural authorities at the highest level.

There have been only half a dozen performances of the two works, and the audiences, overwhelmingly Jewish, have been enraptured. Clapping as traditional Jewish dances were seen on stage for the first time in many years, they gave the troupe prolonged and emotional applause.

A number of well-known Jewish activists and dissidents attended. One, Professor Alexander Lerner, said he thought some specifically Jewish features in the musical review had been toned down, but it was still a happy and recognizably vibrant expression of Jewish culture.

The group is giving a special performance for officials of Goskennet, the monopoly impresario organization that licenses Soviet productions for tour overseas.

The theatre is really the creation of one man, Mr Yuri Sherling, a young former Bolshoi ballet dancer and choreographer. As a member of the Bolshoi, he was increas-

ingly worried by the assimilation of Soviet Jews and the rapid disappearance of their traditional culture.

He decided to found a group that would revive the use of Yiddish—now spoken by very few Soviet Jews, even though a magazine in Yiddish still exists—and create a troupe that could compare with those of the Georgians, Armenians and other Soviet national groups.

There were formidable difficulties. Expressions of Jewish culture have frequently been condemned or suppressed in the Soviet Union, and the emigration movement has worsened the already delicate position of many Jews here.

A number of established actors of Jewish origin were unwilling to jeopardize their careers by throwing their lot in with Mr Sherling. However, in 1977 he got permission to set up a theatre in Birobidjan. This region on the Chinese border was designated by Stalin as a national home for Soviet Jews, but according to official figures, the Jewish population of the region is still only 8 per cent.

Official policy is still to encourage Jews to settle there, however, and the Government was obviously pleased with a proposal that would prove Jewish culture was alive in the region.

Mr Sherling toured the country for seven months interviewing prospective actors and has now assembled 25. He invited old Jewish people who still knew Yiddish to teach his troupe the language, and started writing an opera that would incorporate Jewish songs and dances of the turn of the century.

Surprisingly, he invited Mr Ilia Glazunov, a controversial and semi-official artist, who has been known to voice strongly anti-Semitic sentiments, to design the decor and sets. Mr Glazunov, who is also interested in the Russia of that period, accepted. His designs have been praised by the critics.

Mr Sherling wanted to take the theatre on tour after the opening in Birobidjan, but he was forbidden to play in the centres of Moscow, Leningrad and Kiev. In April, however, he arranged a performance, which

was given wide unofficial publicity, in a place of culture in a Moscow suburb.

Both he and the authorities took a gamble. There were no embarrassing displays of Jewish nationalism, and the way was open for authorized performances in the city centre.

The Jewish Musical Theatre has been given government money to develop. Mr Sherling is planning to get a prominent American-Jewish writer to co-operate in writing a new opera he wants to stage next year. The Jewish hero of the opera is a descendant of Massada in ancient Israel.

Some Jews have accused the theatre of becoming a government propaganda showpiece. Mr Sherling, a dynamic and multi-talented man of 33 who lives in Moscow, rejects the charge.

He admits that he encountered "difficulties" at first. But it is clear that it was only after he had personally overcome the bureaucratic obstacles that the Soviet authorities realized the theatre could reflect well on official cultural policies, especially when Soviet policies towards Jews are being attacked abroad.



Point taken: Herr Brandt (right) and Mr Heath answering questions on the world aid report.

Trade levy idea to aid Third World

By Roger Berthoud

International taxation on trade in minerals from the seabed and armaments is the most striking proposal produced by the Brandt Commission for reducing world inequality and boosting aid to developing countries.

The conclusions of the Independent Commission on International Development Issues, as it is formally called, were outlined yesterday in London by its chairman, Herr Willy Brandt, the former West German Chancellor.

The 18 Commission members, most of whom were present, included two former Prime Ministers (Mr Heath and Sweden's Mr Olaf Palme), Mrs Katharine Graham, pub-

lisher of the Washington Post, and senior politicians and economists from Africa, Asia and Latin America.

Herr Brandt said too few of the world's richer countries had lived up to their promise to give 0.7 per cent of their national product as development assistance. That should be achieved by 1985, and 1 per cent by the end of the century.

More countries should join in, on a sliding scale related to national income.

New methods were needed to increase funds. A modest levy on international trade, seabed minerals and armaments—objectively the most wasteful of all forms of spending—might provide such additional revenue.

The Commission's ideas will be set out in detail in its report, to be presented in February to Dr Kurt Waldheim, the United Nations Secretary-General. Mr Heath, who played a substantial part in its drafting, was with Mr Shridath Ramphal, the Commonwealth Secretary-

General, will then elaborate on the report in LONDON.

In his summary yesterday, Herr Brandt said the present system of financing development had failed to meet urgent needs. Many countries needed broader loans, for programmes as well as projects, then the World Bank could provide, and many East European countries remained outside its structure.

The Commission proposed, therefore, a new universal development institution, which would participate in a world development fund.

Faced with the impending world economic crisis, the Commission would be putting forward a four-part package of measures to benefit industry, agriculture, energy producers, middle-income countries, and truly poor nations.

The elements would be: a big transfer of funds to the United Nations; a new world security and conservation of energy supplies; an efficient world food programme; and a start on key reforms,

including the monetary system and means of financing development.

Both Herr Brandt and Mr Heath were convinced that economic development of the Third World would be of great benefit to the industrialized countries, despite the immediate problems of increasing such Third World imports as textiles.

To generate the political will for a global economic bargain, the Commission urged the convening of a new kind of summit conference, involving a limited number of national leaders from the world's main regions.

Herr Brandt suggested that the head of government of a neutral country might help with the soundings for such a meeting, after consultation with Dr Waldheim.

North and South, Herr Brandt said, his colleagues reiterated, had a far greater mutual interest than they commonly recognized in achieving economic revival together.

East block accused of failing to aid refugees

From Peter Hainhurst
Tokyo, Dec 17

The contradiction between the feeding Communist armies of Indo-China has uprooted almost one million refugees in South-East Asia, but the Soviet Union and other communist nations have done little or nothing to alleviate the suffering. Mr Paul Harding, the United Nations High Commissioner for Refugees (UNHCR), said today.

Suggesting that the Western allies and Japan have been forced to underwrite the huge cost of the Indo-China displacement, Mr Harding said: "The UNHCR has been forced to turn to the West for help."

"When we look towards the East, we find that the United States is the only one of the major powers who does not contribute to the UNHCR's work."

"Japan has promised to pay 50 per cent of the entire programme at South-East Asia," Mr Harding added, "but the UNHCR has not received a cent of the promised contribution."

The eastern block pay their share of the United Nations budget but only a small percentage of that is devoted to the upkeep of the UNHCR. The bulk of our funds come from voluntary contributions and donor countries. It is very seldom that we receive a cent of contribution from the socialist bloc. They are not yet on the list of donor countries, if I may say so," he said.

Mr Harding said he feared that the "organized" camps are being rapidly depleted by the growing numbers of refugees in the world, and that the UNHCR budget will have to be quadrupled next year.

"A few months ago we estimated that \$100m (about £66m) would cover our budget this year but we now realize we will have to spend \$350m this year and another \$400m next year to cover the deficit," he said.

In contrast, only 2,500 refugees from Vietnam escaped to East Asia in October, and in November. At present as many as 25,000 Vietnamese refugees are being moved out of camps in South-East Asia every month and resettled around the world.

Mr Harding said that if that situation continues then the problem will be under control in a year or two. You just have to look at the statistics. I think the situation is under control. Mr Harding said.

Outlining some of the UNHCR's major problems, Mr Harding said some 200,000 refugees, who crossed into Bangladesh in recent years, are being resettled in their former villages in Burma.

The refugees in South-East Asia have received a lot of publicity, but the problem

extends to other parts of the world. Five and a half million refugees in Africa. Hundreds of thousands of people have been displaced in Ethiopia, the Sudan and Somalia. We have 500,000 refugees in the vicinity of Zimbabwe-Rhodesia, Mozambique, Zambia and Botswana. There are similar problems in Latin America," he said.

Painting a less gloomy picture for the future of the refugees, Mr Harding said: "The UNHCR has been able to find a way of dealing with the problem recently while more people are now being resettled abroad."

He went on to reveal that nearly one million refugees from Indo-China are still waiting in camps in Thailand, Malaysia and other South-East Asian nations.

"I can make no forecasts for the future," he said. "I can only state the current situation. As far as the Vietnamese refugees are concerned, a great number of them, people of thousands per month, continued to arrive in the a small land and August."

"We do not know how many did not survive these journeys. But what we do know is the fact that the number is decreasing very clearly and rapidly. As many as 60,000 people were arriving every month during the early part of the year. At the same time an average of 9,000 refugees were being moved out of camps and resettled in other countries."

Mr Harding said he was satisfied that it was possible to achieve the distribution of its aid supplies in Kampuchea and was under no political pressure from the Vietnam-backed Government in Phnom Penh.

Mr Geoffrey Besley, the Oxfam chief representative in Singapore, was commenting on a statement by the International Committee of the Red Cross that it might reconsider its role in the relief effort because of very little of its food aid was being distributed in Kampuchea. Apparently, 25,000 tons of food was still stored in warehouses at Kampong Som, the only deep water port in Kampuchea.

BACK TO KAMPUCHEA: Tens of thousands of Kampucheans, given the choice of moving to a Thai refugee camp or moving their belongings to an empty camp back into Kampuchea, have chosen to return to their country. They have re-erected their bamboo huts in their forest just across a dried up stream bed from the Thai border. Between the two countries, Thai refugee officials at the vast refugee camp at Khlo L Dang, eight miles inside Thailand, fear that if Kampuchea is widely proclaimed to be a "victim" of the Vietnamese, there would be a stampede of panic-stricken people back across the frontier.

No decision yet on future of 5,000 prisoners

Kampala, Dec 17—The Uganda Government has not yet decided what to do with 5,000 detainees believed to have been either members of the Amin secret police or criminal elements in his Army. Mr Steven Ariko, the Justice Minister, said Mr George Ssemu, Uganda's Minister of Prisons, said 4,000 of the prisoners were housed in appalling conditions at Ludda prison outside Kampala.

sheltered in a temporary camp at a town named Bethlehem.

South Africa has called on the United Nations to give aid to the refugees, but it is uncertain whether the UN will do so. The UN has been asked to give aid to the refugees, but it is uncertain whether the UN will do so.

Chief Jonathan has claimed that South Africa is aiding and abetting the BCP rebels and also that the refugees are political fugitives who have been helped to flee from Lesotho in South African police vehicles.

His suggestion that he will win fresh elections because of the women's vote has interested observers. Mr Ssemu said 200,000 able-bodied Basotho men, out of a total population of 1,200,000, work in South Africa, most of them in the gold mines. They are believed to be largely BCP supporters.

South Africa today said that, despite the trouble in the north, the capital was quiet, although more police than usual are on the streets. The sources said that Chief Jonathan's election had indicated that he was confident that both he and his party would be returned to power.

His chief rivals for the leadership are C D Molapo, the Foreign Minister, and Mr S. Maseribane, the Deputy Prime Minister, both members of the Basotho National Party's "old guard".

Chief Jonathan is also a member of the Molapo family, which comes from the north of Lesotho, while Mr Maseribane's family comes from the south. There has always been some degree of political rivalry between the two clans.

Contrary to an earlier agency report published in *The Times* on Saturday, both Mr Molapo and Mr Maseribane are still in Lesotho.

New Kuomintang head Taipei, Dec 17—Mr Y. S. Tsang, the Taiwan Foreign Minister, took over today as Secretary-General of the Kuomintang, the ruling Nationalist Party. His successor as minister will be chosen on Wednesday.

Sardinia bandits shot Nuoro, Sardinia, Dec 17—Two men, wanted for murder, were shot dead and a policeman was wounded when police ambushed a group of suspected bandits in a remote part of Sardinia today.

India's urban-based politicians are seeking next month come from the rural areas, which they traditionally regard as an inexhaustible "vote bank".

"Politics is a dirty business, now our local state assembly man, who use year ago was attacking the Chief Minister as a 'friend of scoundrels', has quit the Janata Party and now teamed up with him," the younger student son of the village's leading family remarked.

"How can the people in the village approve of this?" Karanale said. One of the most interesting stories in this election campaign, the villagers find themselves faced by two Congress parties. Mrs Indira Gandhi's son, Mr Sanjay Gandhi, is now the national president of the anti-Gandhi Congress.

The 600 voters of the village elected an MP to Delhi for an undivided Congress in March, 1977, the son of a wealthy former state assembly speaker. His income, by the way, was the villagers' main link with the urban world.

But after Janata's victory, a couple of the village's larger farmers founded a Janata faction. The village was then divided, as the Desai Government collapsed, in faraway Delhi, and everyone in the village knew it.

The story, which really comes from outside the village, is the state assemblyman, who has switched from Janata to the Congress of Mr G. S. The assemblyman came to all as about year he should do, a Janata further said. He told us the only hope after Janata was to join Mr G. S. that way he could get a better chance of winning the seat.

Villagers disillusioned by MPs' changing allegiance see politics as dirty business

India's rural vote stays uncertain

From Richard Wigg
A South Indian Village, Dec 18

A Harijan (formerly Untouchable) woman comes out of her hut. She has overheard the village's leading family remarked: "How can the people in the village approve of this?" Karanale said. One of the most interesting stories in this election campaign, the villagers find themselves faced by two Congress parties.

Mrs Indira Gandhi's son, Mr Sanjay Gandhi, is now the national president of the anti-Gandhi Congress. The 600 voters of the village elected an MP to Delhi for an undivided Congress in March, 1977, the son of a wealthy former state assembly speaker.

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But the Janata men were keeping their eyes open. "We criticize the politicians and then we go meekly and vote for them. We only talk, but we don't tell them what we think," the village man said. "We know we'll be forgotten on the election night, when the politicians will be in Bangalore and there'll be drink and prostitutes, too."

So the chairman of the Panchayat (the equivalent of the parish council) and the village's leading farmer is busy organizing the 65 per cent vote he says he expects for Mrs Gandhi.

Aged only 30, he has one personal advantage. As Mrs Gandhi was down last year, I remember that her son, Sanjay, "belonged only in jail", our father. "But why should we punish the mother for her son?"

He believes that Mrs Gandhi alone can deliver what she promises in the elections. "Her policies were good for country people in the past, we feared nothing, but now she is a scoundrel," Mr Charan Singh, the present Prime Minister, though he proclaimed to be a villager too, could not deliver anything.

But there is something far stronger going for Mrs Gandhi in the village. "I calculate only three or four of the Harijan families will not vote for Mrs Gandhi," the chairman said.

Landless farm labourers, all Harijans, I know gave the reason. "Most of us go and ask the chairman's family before we vote. He says, 'Don't vote for Mrs Gandhi', and we vote as he says. All those who vote as the chairman advise know that they will get work for the months when their own food stocks are exhausted."

Indira Gandhi's village. In India's rural vote, the dominant factor next month is usually fluid and critical this time. The truth is the politicians of all parties are whistling in the dark.

Pardon for man in NZ double murder case

From Our Correspondent
Wellington, Dec 17

A man convicted at two trials of the murder of a married couple, a Janata Party member, was granted a royal pardon after a Queen's pardon was announced.

Arthur Allen Thomas, around whom one of New Zealand's most notorious and protracted legal battles has raged, served eight years of a life sentence for the murder of Mr Harvey Crews and his wife Jeanette.

Announcing the pardon today, Mr Robert Muldoon, the Prime Minister, quoted from a report made by a Janata Party member, a Janata Party member, who spent a year studying aspects of the case at the Government's instigation.

seems that injustice may have been done."

Mr Thomas, a former member of the Crews, maintained his innocence of the killings from the start and a royal pardon in his defence kept the affair constantly before the public. Its agitation helped to secure a retrial in 1973, but at the original conviction was upheld. Two fellow-prisoners were made to the Court of Appeal, but these and so on, and the Privy Council failed to overturn the verdict.

Fresh support for Mr Thomas was mustered by a book by a British author, *William Wainwright*, who was published last year. In it, the author, a New Zealand writer, argued for Mr Thomas's pardon on the basis of a "reasonable doubt".

Mr Thomas was sentenced to life imprisonment in 1966 for the murder of Mr Harvey Crews and his wife Jeanette. He was released on parole in 1973. He was granted a royal pardon in 1979.

Mr Thomas was sentenced to life imprisonment in 1966 for the murder of Mr Harvey Crews and his wife Jeanette. He was released on parole in 1973. He was granted a royal pardon in 1979.

he claimed to have uncovered. It was in reaction to this book that the Government appointed Mr Adams-Smith to re-examine the case.

Mr Adams-Smith says he has not established the innocence of Mr Thomas, as that was not within the ambit of his inquiries, but he submits that the Crews' contention that Mr Thomas came upon the Crews late at night was not warranted by the evidence. This "serious flaw" in the Crown's case, based mainly on the testimony of a single witness, was a real doubt whether "it can be properly maintained that the Crews' contention that Mr Thomas came upon the Crews late at night was not warranted by the evidence. This "serious flaw" in the Crown's case, based mainly on the testimony of a single witness, was a real doubt whether "it can be properly maintained that the Crews' contention that Mr Thomas came upon the Crews late at night was not warranted by the evidence. This "serious flaw" in the Crown's case, based mainly on the testimony of a single witness, was a real doubt whether "it can be properly maintained that the Crews' contention that Mr Thomas came upon the Crews late at night was not warranted by the evidence. This "serious flaw" in the Crown's case, based mainly on the testimony of a single witness, was a real doubt whether "it can be properly maintained that the Crews' contention that Mr Thomas came upon the Crews late at night was not warranted by the evidence. This "serious flaw" in the Crown's case, based mainly on the testimony of a single witness, was a real doubt whether "it can be properly maintained that the Crews' contention that Mr Thomas came upon the Crews late at night was not warranted by the evidence. This "serious flaw" in the Crown's case, based mainly on the testimony of a single witness, was a real doubt whether "it can be properly maintained that the Crews' contention that Mr Thomas came upon the Crews late at night was not warranted by the evidence. This "serious flaw" in the Crown's case, based mainly on the testimony of a single witness, was a real doubt whether "it can be properly maintained that the Crews' contention that Mr Thomas came upon the Crews late at night was not warranted by the evidence. This "serious flaw" in the Crown's case, based mainly on the testimony of a single witness, was a real doubt whether "it can be properly maintained that the Crews' contention that Mr Thomas came upon the Crews late at night was not warranted by the evidence. This "serious flaw" in the Crown's case, based mainly on the testimony of a single witness, was a real doubt whether "it can be properly maintained that the Crews' contention that Mr Thomas came upon the Crews late at night was not warranted by the evidence. This "serious flaw" in the Crown's case, based mainly on the testimony of a single witness, was a real doubt whether "it can be properly maintained that the Crews' contention that Mr Thomas came upon the Crews late at night was not warranted by the evidence. This "serious flaw" in the Crown's case, based mainly on the testimony of a single witness, was a real doubt whether "it can be properly maintained that the Crews' contention that Mr Thomas came upon the Crews late at night was not warranted by the evidence. This "serious flaw" in the Crown's case, based mainly on the testimony of a single witness, was a real doubt whether "it can be properly maintained that the Crews' contention that Mr Thomas came upon the Crews late at night was not warranted by the evidence. This "serious flaw" in the Crown's case, based mainly on the testimony of a single witness, was a real doubt whether "it can be properly maintained that the Crews' contention that Mr Thomas came upon the Crews late at night was not warranted by the evidence. This "serious flaw" in the Crown's case, based mainly on the testimony of a single witness, was a real doubt whether "it can be properly maintained that the Crews' contention that Mr Thomas came upon the Crews late at night was not warranted by the evidence. This "serious flaw" in the Crown's case, based mainly on the testimony of a single witness, was a real doubt whether "it can be properly maintained that the Crews' contention that Mr Thomas came upon the Crews late at night was not warranted by the evidence. This "serious flaw" in the Crown's case, based mainly on the testimony of a single witness, was a real doubt whether "it can be properly maintained that the Crews' contention that Mr Thomas came upon the Crews late at night was not warranted by the evidence. This "serious flaw" in the Crown's case, based mainly on the testimony of a single witness, was a real doubt whether "it can be properly maintained that the Crews' contention that

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Razici forficati -
muscular injury

Future of Dilley may lie as an all-rounder

COURVOISIER
VSOP Fine Champagne Cognac
'The Brandy of Napoleon'

Fashion

by
Prudence Glynn

hat, right: By Bermona, and £10, buyable everywhere, the most important shape. The dress Elizabeth Chigoni rules goggling locks will not do.

tre: The ultimate Cinderella er dress. By David and Elizabeth Emanuel. David and Elizabeth are among this country's most gifted and dedicated designers of our state training them and have now opted to work only for private clients. Their address is 26a Brook Street, London W.1, tel. 01-629 0000. David and Elizabeth have dressed Princess Michael of Kent and other lovelies and seem to get the wedding order for Hon. Victoria Manocroft when she weds her prince in February next year. Gold lamé strapless gowns, huge black tulle skirt stole embroidered with stars and moons in gold and silver. order. I think you could get away without the wand, unless you are going to be anyone at a party you particularly dislike.



Illustration by Tim Ahearn



Just the thing for the muted orange. But it is all very well being expected, as you would expect to see it in the window of a department store. But it is not practical. Something that should be expected in the window of a department store is the lovely hand-knit red Diana Doe, Dodo House, 8 Monument Street, Peterborough, Cambs. PE1 4AQ, tel. 0733 67157. As they are, naughty nighties, but I'd sew up the side of the long one and wear it over a slip as an evening dress. Each built costs about £10 with a and p 86 and if you ring today they can be the Post Office, willing on the back of your loved one at Christmas.

need on the beach as you plunge about off the coast of wherever.

Very fine delicate chains from Booty in Bond Street or Jones in Beauchamp Place. Charming gift copies from every department store in the country. The only other smart present is pearl stud earrings, Ciro to Carrier, but not more than three eighths of an inch in diameter.

By the way, the stones on the chain should be circular and set around with metal, unless you are going to wear your heart on your chequebook and buy the sensational piece Harry Winston showed at the recent exhibition of great jewels at Asprey in Bond Street. I must admit to a penchant for the six and a half carat single stone on the platinum chain, just the length for no-one except the donor to be able to discover it at an approximate £60,000.

Perfume. What can I say when she knows what she loves and what you love her to wear? What I shall say is that a change is as good as a rest, so nip out and get her any of the new, lightweight, "natural" scents: redolent of healthy living and self-sufficiency. Perfumery Workshop produces essential oils which you can mix together; you can buy them at Selfridges, Raxhams of Birmingham, or Barkers in Kensington.

The truly toky male will head for Penhaligon, Wellington Street, Covent Garden though because with scents becoming more unisex if you dish out a forum of Hamman Bonquet there is a sporting chance you can get to dab it behind your own ears. Sophisticated women love to wear a masculine scent because not only is it delicious but it can create just the tiniest alarm that she is newly from the company of another.

I almost forgot. Scarves. No. Only for the man in your life, which case they (the scarves, not the men) should be long, narrow, woolly, fringed at the ends (you can now see why I am speaking of the scarves not the men) and they will wear them around their turned-up collars of their jackets. The pattern should be plain or plaid and the really dashing like their scarves, a foot wide and are using them as overcoats. This means that if we have a winter like the last you can put your asterisk against them for next year, by which time you may have to be thinking about scarves for the old girl/housekeeper/daughter/girl groom/maiden aunt. Don't ask me.

Having only ever received one fashionable Christmas present, a parcel of dubious Bagerie from a lovelorn National Service Coldstreamer who I judge must have been stationed in the Casbah, this writer has maintained a certain cynicism about such gifts and a certain reluctance to advise on the page. How wrong.

In London there may be a towny confidence or a certain discretion in asking advice. Who is it for they may be thinking that you are thinking as they sound you out on the price of Janet Reger French knicks as exposed to Dorothy Perkins or Miss Selfridge ditto and you have just caught sight of the only legitimate object of their donation and she looks much more suited to some woolly comb.

Down in the country things are different. If you are the fashion editor of *The Times* you jolly well ought to know what to give the old girl/daughter/housekeeper/girl groom/maiden aunt, and be specific about it, too. No point in struggling round that ghastly West End with taxis the price they are. So here goes.

Definitely not green tights. There are a lot of these around and they are to be left to Peter Pan and small boys enacting Robin Hood in which case it is perfectly all right for them to look as though their legs had been struck by some lichenous blight and for the crotch section to be somewhere just above the knee.

Also avoid those dreadful tights with dots or splashes of pattern. They make the wearer seem to have bebionic plague. Funny patterns up the outside of the leg can be vulgar (when will a clever manufacturer bring back those darling little "clucks" just up to the ankle which drove Edwardians wild?) but seams up the back, provided the lady can be guaranteed to get them on straight, are very in. Elton have finally produced a range of support tights in smart colours, very sheer, very chic and currently being snatched off the counters by the most beautiful model girls.

Hats. They are very pretty and very smart now, but only for a woman who is prepared to make-up and smile her hair to complete the effect. Tiny bowlers, shallow-crowned felts with a very very feminine all that business of raising it and not getting it stuck into the cigarette, canape or dry martini like some sort of sieve. Colours should be black, white, or scarlet. Best hat departments, Peter Robinson, Fenwick's, Harrods.

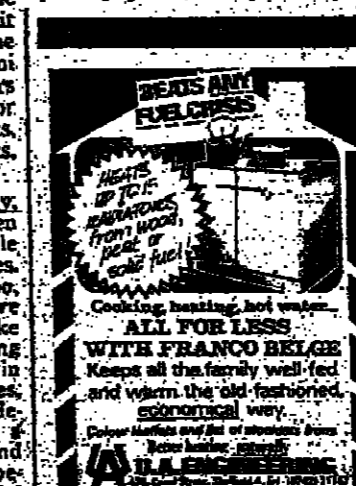
Gloves. These should be woolly, appear to be hand-made even if not, and have a Fair Isle pattern across the knuckles. Mittens are very smart, too, and can be bought everywhere at every price. Town ladies like them because all that scrabbling in the purse makes holes in the gloves—if you give gloves, move into the haberdashery department and top up with a card of darling wool—and country ladies like them be-

cause it is so much easier to fasten the throat latch. Dress. Don't. No. Unless you are very sure. Glitter is the thing just now, and again you can buy it at any price. I recommend a sweater either decorated with a few stars, or made entirely in Lurex. The very young may be given sequin encrusted boob-tubes, which are what we used to call strapless bodices, in gold, silver or black. Actually the not-so-young can be given boob-tubes in black to be worn with black velvet trousers and a blazer. Top end of the glitter market is Marcel Fenez shop at 26 Brook Street, London W1 with stunning sequinned jackets and whole dresses reminiscent of Hartnell or Norman Norrell.

Boots. Since they cost a lot, nice present, but watch out. On no account give the ones which come to just below the knee because skirts are going to get shorter and the one crime in fashion now is a gap between the two. Go for mid-calf, Texan-style boots with a thick heel, or much better, for bottines, little ankle boots with a delicious cuff around the ankle and mighty high heels. By the way do not despise the bedroom slipper. They should be with a 1½ inch heel, velvet, in claret or black, made by Gannex and handily suitable for the boudoir, putting out the dustbins, or going to the opera in a long frock.

Jewelry. Never before has this been less a status item and so much a fashionable one. I suppose the change derives in part from the tremendous cost of insurance and from the very natural dislike of being banged on the head for one's engagement ring, but there is a much more subtle explanation. With increasing confidence the individual jewelry has become more private. This goes for men and women. Some time ago I wrote about the change in society which would render the far whorers of the *fin de siècle* not admired but ludicrous for all their diamonds. So much more sexy is the finest gold or platinum chain with just one or two stones worn inside the silk shirt.

Again, they come at every price. Wonderful barbaric gold from Gerard in Grafton Street, W.1, and do not be too dismissive of gold; it has the advantage that you never ever have to take it off and it is useful for supporting your car-keys—all you



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Crystal**
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Ice and Martini simply belong together. And
we'll drink to that.

MARTINI

Extra Dry. The right one. Just by itself.

Only quality selected wine
and herbs are used in Martini
wines. Most brands to drink.

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, page 19

Stock markets
FT 100 423.3 down 7.7
FT 100 423.3 down 7.7
FT 100 423.3 down 7.7

Sterling
\$2.1985 down 10 points
Index 69.7 down 0.1

Dollar
Index 85.3 down 0.5

Gold
\$470 an ounce up \$13

3-month money
Inter-bank 16 13/16 to 16 15/16
Euro \$14 13/16 to 15 15/16

IN BRIEF

5m energy conservation grants may be scrapped

Government looks set to scrap the £5m grant scheme for energy conservation in industry. The plan comes as the government next June will announce a deal with Volvo which calls for a direct French stake in the Swedish motor group.

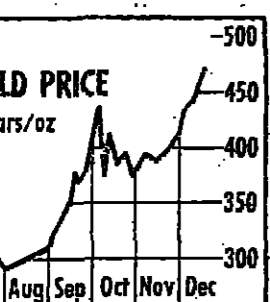
A Renault takeover of BL would leave the French holding more than half the car and commercial vehicle manufacturing capacity in this country. The deal would also mean the loss of 25 per cent of the government's energy conservation grants, which are being reported by the Department of Industry, and as these are used the amount of funding is expected to be cut.

Industry Department officials say it is unlikely that the scheme will be continued, and Whitehall sources maintain it will definitely be scrapped.

Under the scheme, companies are able to claim grants of up to 25 per cent of the cost of replacing or modernising boilers and insulating pipes and 50 per cent for energy conservation.

Wester in sugar talks

Rd Jellicoe, chairman of the British Sugar Corporation, said yesterday that the company was in talks with the EEC Commission over a possible sugar export quota. Walker also said leaders of the beet industry, who said the EEC plan would close the door of eight factories.



price of gold came a little bit to close at \$470 an ounce in London yesterday, up from Friday. Silver also set a record closing price of \$300.

CCano setback

Workers fighting to save pool's doomed Meccano factory were yesterday made aware of redundancy pay outstanding holiday wages.

C wins \$5m order

C. High Voltage Switchgear of Trafford Park, Manchester, has won a United States order worth \$5m (about £1.5m) for 25 trackside substations.

£35m deal

Rolls-Royce, the national airline of the United Kingdom, has placed an order for Lockheed TriStar airliners worth £35m (about \$55m) to Rolls-Royce.

Tile deadlock

Dispute between the European Commission and Greece over the level of textile imports from Greece has been deadlocked. The Council of Ministers will be asked to meet in Brussels.

Oil St caution

Down Jones industrial average rose two points to 2,520, an oil price caution. The price was higher, at \$40.00 a barrel.

Renault could bid for British Leyland if state funding dries up

By Clifford Webb
Midland Industrial Correspondent

Renault, the state-owned French motor group, is emerging as a possible buyer for British Leyland if the Government refuses to continue funding the last British-owned representative in the international motor industry.

Already the largest industrial group in France, Renault is rising high at present. Tomorrow, in Geneva, it is expected to announce a deal with Volvo which calls for a direct French stake in the Swedish motor group.

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of talks which have dragged on for well over two years. They began formally when a joint working party was established in June, 1977 (before Sir Michael Edwards joined BL as chairman) to examine areas for technical collaboration.

Both sides have denied that these talks have in any way connected with a possible merger. Since then, there have been recurring reports of clashes between BL executives and at least one senior Renault man.

The chief cause of the present breakdown was the surprise deal between BL and Honda for the British company to assemble a new Honda car in this country and market it throughout the EEC.

Renault is known to have offered BL a similar new car deal more than 18 months ago but it was rejected because—unlike the Japanese deal—too many concessions were demanded in return.

Renault executives have complained bitterly that they regard BL's action as "selling the European pass to the Japanese". But the real cause of the breakdown is believed to be the way Sir Michael Edwards pulled off the Honda deal without the French picking up a whisper.

On the other hand, Sir Michael Edwards is understood to have been just as upset by Renault's decision, announced two months ago, to invest £75m in American Motors and give guarantees covering another £25m.

In return Renault will use AMC's factories in Kenosha, Wisconsin, to manufacture cars for the American market.

He has also complained about the aggressive tactics Renault has adopted to persuade BL dealers to change sides. This includes extensive winning and dining trips to France.

The Government's reply to BL's request for another £25m worth of state aid almost certainly rests on the outcome of protracted union-management negotiations, now in their final stages.

Sir Michael wants to remove inter-union demarcation boundaries that have plagued the whole of the motor industry for the past 30 years.

Dutch approval needed: A Dutch Economics Ministry spokesman said last night that his Government's agreement would be needed for any deal between Volvo and Renault.

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Marsh & McLennan calls for takeover talks with Bowring after apparent collapse of premium pooling plan

By Richard Allen
Insurance Correspondent

Marsh & McLennan of the United States, the world's biggest insurance broking group, considering a takeover bid for C. T. Bowring, the second largest broking firm in the United Kingdom whose interests also include the Singer & Friedlander merchant bank and the Bowmaker credit finance group.

In a surprise move yesterday Bowring's shares were suspended before Marsh announced that it was calling for discussions with Bowring with a view to obtaining an agreement on a takeover. Bowring, however, hinted strongly that a bid will be opposed.

Bowring and Marsh have for the past 18 months been locked in discussions over a plan for a premium pooling arrangement. This plan, which would have involved broking revenues of one group being placed in one trust, was "put" before being shared between the two groups, has apparently collapsed.

At the suspension price of 109p yesterday, Bowring is capitalised at £119m. However, stockbrokers were guessing last night that, to be successful, an offer from Marsh would have to be worth at least £2 a share or £218m.

If successful, the takeover would almost certainly involve Marsh in having to divest itself of 75 per cent of Bowring's broking interests if it wished to retain the group's status as a Lloyd's accredited firm.

Although both groups were playing down suggestions that a significant rift had emerged between them following failure of the premium pooling plan, Bowring has hinted clearly that it finds the takeover move particularly unwelcome.

In a statement last night it said: "Directors of Bowring regret that, in view of the long association between the two businesses, Marsh McLennan have chosen to make a unilateral announcement of their intention to consider an offer for the whole of the shares of Bowring."

It added: "If and when any offer is received, it will be examined by the directors." The bid move is bound to cause further disturbance in existing relationships between United States broking groups and their leading United Kingdom counterparts. When Marsh and Bowring began discussing premium pooling last year, the announcement triggered off similar arrangements among other groups and was believed to be partly responsible for the merger of Sedgwick Forbes and Bland Payne, two of Britain's biggest broking firms.

At the centre of this turmoil is the Lloyd's insurance market, which relies on American firms for half its premium business of around £2,000m a year but which insists on dealing directly only with United Kingdom accredited firms.

Thus, to send business to Lloyd's, the American groups have to pass it to a British group and split the broking commission. In an attempt to get closer to the Lloyd's market, Marsh planned a bid two years ago for Wigham Poland but this was thwarted by a Lloyd's rule that overseas companies could not hold more than between 20 and 25 per cent of a Lloyd's broker's total equity.

Mr Jack Regan, Marsh & McLennan's president, said last night that any move with regard to the takeover would have to be approved by Lloyd's. He agreed that this would probably involve Marsh divesting itself of 75 per cent of the broking interests.

Financial Editor, page 19

Imperial moves into US fast-food chain with 4 votes to spare

By Rosemary Unsworth

Imperial Group, the British tobacco, drinks and food conglomerate, yesterday voted in favour of the proposed £28m takeover of the US fast-food chain Howard Johnson's.

But voting was close at the extraordinary meeting in London, attended by more than 200 shareholders, with 102 votes approving the deal, a majority of four. However, the result was a foregone conclusion as Imperial had received almost 80 per cent of acceptances in proxy votes before the meeting.

Howard Johnson's shareholders also approved the deal yesterday in Boston, Massachusetts.

Imperial's chairman, Sir John Pile, told the shareholders that the group's pre-tax profits were expected to be £5m better than last year's £131m.

He reminded shareholders that the acquisition remained subject to satisfactory arrangements being made with 40 separate liquor licensing authorities in the States in which Howard Johnson's operates so that the business can continue to sell liquor after the takeover. So far agreement has been reached with 27 authorities.

Discussions with the rest are continuing but Imperial's lawyers believe there will be a satisfactory outcome.

In response to shareholders' questions about the cost of the deal, which gives Howard Johnson's shareholders \$28 a share compared with the market price of around \$16 before the bid, Sir John pointed out that Howard Johnson's fixed assets will be revalued when the acquisition is complete. This revaluation is expected to show a \$200m surplus over book value and will reduce the cost of purchasing the \$28m good will in Howard Johnson's.

He stressed that Howard Johnson's profits should show an improvement at the year end over last year, despite a third quarter setback because of oil shortages in the United States. Last year Howard Johnson's made profits of \$33.6m.

"There has been a healthy growth in profits over the years despite a sizable redevelopment programme which has meant that various properties have been out of use for weeks on end with a consequent loss of profit and no substantial reduction in cost," Sir John told shareholders.



Sir John Pile: pre-tax profits expected to be £5m up.

NEB raises £38m towards £100m target by selling its stake in ICL

By Alison Mitchell

The National Enterprise Board yesterday took the first step towards meeting the Government's requirement of raising £100m by March when it sold its entire 25 per cent holding in ICL.

The shares were placed in the market at 455p, a discount of almost 5 per cent on Friday's closing price of 478p, raising £38m. According to NEB figures, this shows a profit of £25m, or 192 per cent, on its total investment of £13m.

The 8.34 million shares were spread among 250 institutions, with most of the applications having to be scaled down considerably.

There is some speculation in the market that ICL plans a rights issue but this was denied by the group last night. Although borrowings rose last year, this was because of industrial trouble and the strength of sterling.

Research and development costs will be relatively lower in future with any new range of computers being evolutionary rather than revolutionary.

The Government acquired its initial 10.5 per cent stake in the company when it was set up in 1963 through a merger of International Computers and Tabulators, English Electric Computers and a small part of Ferranti. At the time GEC and

Plessey were the other main shareholders, each owning 18.2 per cent of the equity.

In 1976 the GEC stake was divided between the NEB and Plessey to give both parties an equal holding of 24.4 per cent, with the Department of Industry's shares having been passed to the NEB.

In January this year Plessey also sold its holding through a market placing at 412p, a 6.4 per cent discount on the then market price of 440p. At that time the NEB marginally increased its stake to 25 per cent.

The sale of the ICL holding by the NEB has been widely expected, although the placing yesterday morning took the market by surprise.

After ICL last week announced a 22 per cent rise in full year profits to £45.7m, the new board of the NEB decided to take advantage of the subsequent increase in the share price.

Among the other NEB stakes which could be on offer before the end of the financial year are Brown Boveri Kent, Ferranti and the unquoted Fairly.

Interim profits from Ferranti are expected tomorrow but they are unlikely to be in the same class as ICL. Internal and nationwide strikes will have cut them back from last year's £3.2m to around the £3m level, which means the NEB will not

have the same advantageous conditions for a share sale. However there is some speculation that, if no selling opportunity presents itself before March, the NEB will let the deadline pass to get the best price for its holdings.

Kenneth Owen writes: The NEB yesterday announced an £80,000 investment in Doyce Electronics of Fakenham, Norfolk, a small company which makes electronic test equipment for petrol and diesel engines.

This is the first investment to be announced since the new NEB board took office to confirm the "catalytic" role of the board in relation to advanced-technology companies.

The board's initial £80,000 investment will give it 25 per cent of the company's enlarged ordinary share capital and 100 per cent of the preference share capital. A further £36,667 is earmarked for investment in 1980 in the form of additional preference shares.

Doyce Electronics was formed in 1972 and claims to have been the first company in Britain to introduce what it describes as "sophisticated" digital engine testers. It now employs 20 people. The NEB investment should enable the company to maintain its growth rate.

Financial Editor, page 19

N Sea producers set to follow Opec lead

By Patricia Tisdall
Management Correspondent

Britain's North Sea oil producers are poised to follow whatever price increases are set by the Organisation of Petroleum Exporting Countries (Opec) in Caracas, Venezuela.

The new prices for North Sea oil are likely to go up by at least 15 per cent in line with the increases already announced by Libya earlier this week.

The Government has requested the state-owned British National Oil Corporation, the main North Sea price setter, to hold down prices as long as possible. It believes that the damage caused to industry and the boost to inflation, which it estimates will go up by 1.5 per cent for every 10 per cent increase in oil prices, far outweighs any gain in exporting oil at higher prices.

But ENOC is unlikely to be able to hold the price increases beyond January 1, the next date when term contracts make provision for a price change. The increase is likely to provoke more protests from EEC countries such as Germany and Germany which criticised Britain at the Dublin summit for not doing more to hold down prices.

The British Government's powers to control either the price or the supply of North Sea oil are extremely limited. Under the terms of option arrangements with North Sea producers, ENOC has to pay market prices for the oil it buys.

In any event, any artificial depression in Britain's North Sea prices would simply open the way to third party intervention in the oil market. At present only about 1 per cent of North Sea crude oil is traded at spot values (which are well above the contract prices). But this proportion could rapidly increase.

The Government equally maintains that it cannot influence prices by boosting supplies because the producers are already operating to capacity to recover their initial investment as quickly as possible.

North Sea oil, which is of a price closely linked to those of African producers, including Algeria and Nigeria as well as Libya. Prices of North Sea oil last went up in November from the old ceiling of \$22.50 to just over \$26 a barrel. \$5 Imperial gallons) in line with the African producers.

The latest increase announced by Libya and which other African producers are likely to follow is for \$30 a barrel.

£53m half-year loss for British Shipbuilders

By Peter Hill
Industrial Editor

Losses of £53 million for the first half of the present financial year were announced yesterday by British Shipbuilders.

In a brief statement the shipbuilding corporation said it believed that its trading loss for the full year ending next March would be within the £100 million limit set by the Government this summer.

The first half loss was struck on a turnover of £423 million for the period and against the background of increasing pressure on the state corporation to carry through further financial belt-tightening in order to remain within the Government set limits.

British Shipbuilders, which was formed 21 years ago, is attempting to streamline the organization and improve levels of efficiency when the world market for new ships is diminishing and where competition is intense.

The corporation has set a target of 45 new orders in the current year, and so far has secured firm orders for about half that number. The need for orders is vital if the corporation is to provide a sufficient base

work load for those yards which have been identified as having a future.

At the end of September, its merchant order book consisted of 76 ships totalling about 685,000 tons gross, which is about half the traditional annual output of the United Kingdom industry. At the end of September last year the order book involved over 100 ships totalling 1,100,000 tons gross.

It will be at least another two years before demand for merchant ships returns to reasonably substantial levels, and the corporation has been forced to transfer a large part of its labour force to construction of naval ships, which increasingly will form the basis of orders for the yards.

Meanwhile, redundancies continue. Since the beginning of April over 2,200 workers left the industry, pushing the total since nationalization to just over 10,000.

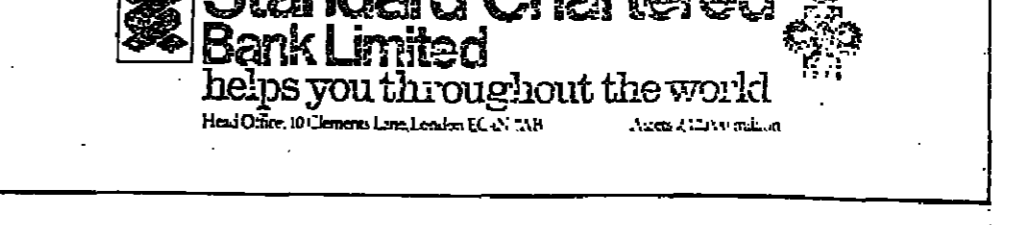
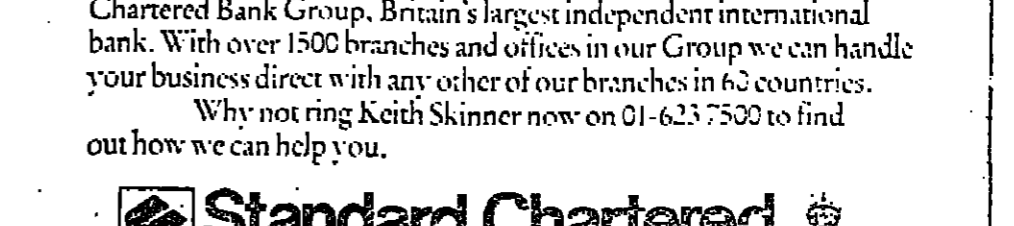
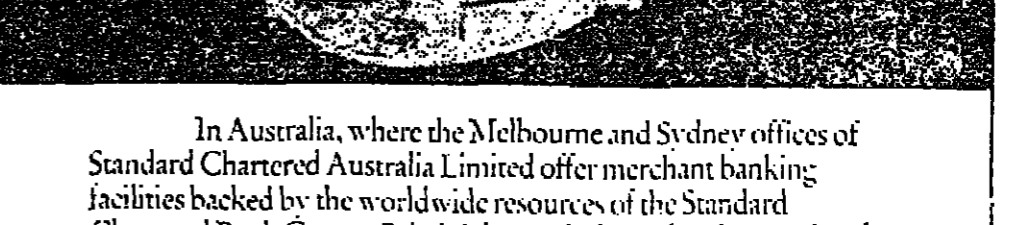
In the past two weeks, the corporation has secured a number of new orders including two bulk carriers for Govan Shipbuilders and a total of nine new orders for Austin & Pickersill, the corporation's Wearside subsidiary. All of the orders are being subsidized from the Government's shipbuilding intervention fund.

Uncertain Future, Page 19

WHERE IN THE WORLD WILL YOU FIND STANDARD CHARTERED?



BRIDGE ST.



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170,000 get BSC's bonus terms

By Our Industrial Editor

British Steel Corporation executives were making a last-ditch attempt last night to head off the threatened national strike by the Iron and Steel Trades Confederation from January 2.

Mr Robert Scholey, chief executive of BSC, and Dr David Greaves, managing director, travelled to Luxembourg last night for a routine meeting of the European Coal and Steel Community Consultative Committee. Mr William Sirs, general secretary of the ITC, is also attending the meeting.

Mr Scholey said the opportunity would be taken to try to discuss the proposed lump sum bonus scheme which could produce increases of up to 10 per cent from improved productivity at local level.

The move coincided with a strong attack by the Steel Industry Management Association on the corporation's plans to axe 52,000 jobs by next August and an admission by Sir Keith Joseph, Secretary of State for Industry, that the proposed closure of the Consett steelworks was the most worrying of the closures.

Yesterday BSC handed out a four-page booklet to more than 170,000 employees. It gave details of the lump sum bonus scheme.

The distribution of the booklet was designed to get the corporation's offer across to rank and file members although Mr Scholey denied that the BSC was going over the heads of union leaders.

He explained that the opportunity for detailed discussions with the ITC had been prevented by the ITC's decision, after the Corby closure was announced, to break off all direct consultations with the BSC except on safety.

He stressed that BSC would not be prepared to increase the existing 2 per cent national offer. BSC executives still do not regard the strike as inevitable although the BSC will shut for Christmas at the end of this week; the ITC executive will meet tomorrow.

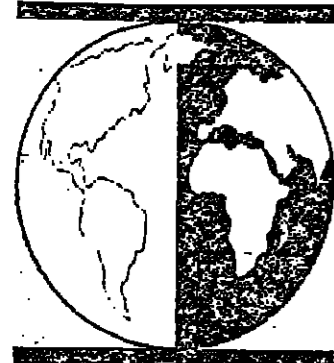
The Steel Industry Management Association (SIMA), which represents senior and middle BSC managers, sent a detailed statement on BSC's cuts to Sir Keith Joseph, steel constituency MPs and the TUC.

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Warning on growth of Bonn deficit

West Germany's Federal Bank has given a warning that the national balance of payments deficit on current account is likely to grow still further next year from the 8,000m mark (about £2,111m) level expected for 1979.

In its latest monthly report the bank said the change in the structure of Germany's current account balance of payments to considerable deficit for the first time in 14 years was not just a short term phenomenon.

The dramatic shift of around 26,000m marks from last year's surplus of some 18,000m marks in this year's deficit meant that West Germany must once again be in a position to increase its exports. Accordingly the German central bank appealed to both sides of industry to reach moderate wage settlements in the forthcoming round of collective wage bargaining.

Collusion case ends

West Germany's Federal Cartel Office says it has dropped collusion proceedings against Dresdner Bank AG, Deutsche Bank AG and Commerzbank AG for simultaneous raising of interest rates. It said intensive hearings supported the bank's claim of innocence.

Oil tenders invited

Ecuador has invited tenders from multinational oil companies for exploration of 10 million hectares as part of a drive to increase dwindling oil reserves. A total of 125 wells are planned in the next five years at a cost of \$1,000m (about £457m) with finance raised in domestic and international markets.

\$5.353m Moscow deal

Armco, the Ohio-based industrial and steel manufacturer, has negotiated a \$5.353m (£2,444m) equipment contract for the Novolipetsk electrical steel plant south of Moscow. Armco is working in association with Nippon Steel of Japan.

Toyota export record

Toyota's vehicle exports in November were a monthly record of 139,100, up 9.7 per cent from 125,900 in October and up 51.9 per cent from 90,900 a year earlier.

Fed chairman meets Mrs Thatcher amid interest rates uncertainty

From Frank Vogel
United States Economics Correspondent
Washington, Dec 17

The Prime Minister, Mrs Thatcher, found half an hour in her tight schedule of official meetings today to see Mr Paul Volcker, chairman of the Federal Reserve Board. United States money market traders would dearly have liked to take part in this tête-à-tête with the outlook for interest rates now desperately uncertain.

Mr Volcker has cancelled tomorrow's meeting of the Fed's open market policy committee without explanation and some dealers interpret this as meaning no change is likely in Fed policy before the committee convenes on January 9. But some dealers suggest that pressure is building that could force the Fed to move to a tighter policy stance.

The confusion rests partly upon lack of experience with the Fed's approach to monetary policy. In the old days the prime credit easing and tightening tool used was the rate for federal funds. This changed on October 6 when the Fed said

it would operate with targets for bank reserves playing a much bigger role than target interest rates.

The Fed clearly has specific ideas on the relationship between bank reserves growth and money supply growth and some clear targets for bank reserves growth, although it has not announced these targets.

It is aiming for an annual M1 growth rate of between 3 to 6 per cent and latest data suggest it is right on target. The four-week moving averages show that M1 has increased in the last 13 weeks at a seasonally adjusted annual rate of 4.1 per cent, with growth of 7.2 per cent for the last 26 weeks and 5.2 per cent for the last 52 weeks. These figures would not suggest any need for credit tightening.

However, the bank reserves aggregates have shown sharp rises recently and this has convinced some analysts that the Fed will tighten policies soon.

The four-week moving averages show a clear deterioration in the growth rate of total bank reserves, non-borrowed reserves and required reserves. The seasonally adjusted annual rate for total reserves was at 14.8 per cent for the last 13 weeks against 12.6 per cent for the last 26 weeks and 3.5 per cent for the last 52 weeks.

There are other reasons why some experts see rates moving back to higher levels. The pundits at the Commercial Credit Corporation of Baltimore say that "with inflation and inflationary expectations showing continued strength, the Opec oil cartel meeting today, and seasonal credit demands upon the money markets, there may be further increases in money market rates".

At Bankers Trust, staff economists reflect a widespread view in stating that "until there are more convincing signs that the economy is weakening and that inflation is finally turning the corner, it is unlikely that interest rates will move downward quickly".

Solomon Brothers suggests that the recent rise in bank reserves may soon lead to higher interest rates and it anticipates such heavy demands for new financing in the public and private sectors during 1980.

Small iron foundries in jeopardy, report says

By John Huxley

Small iron foundries are closing at such a rate that the local services they supply are now seriously threatened, according to a report published by an industry working party today.

The report says that small craft foundries are of crucial strategic importance to the economy. They provide a product on which the whole of the engineering industry depends, that is "the one-off or short production run casting vital for prototype development, for original equipment manufacture, for special purpose, custom-built machinery or for replacement parts where speed of response is vital".

Although an overall decline in demand for engineering castings is expected, and fewer foundries will be needed, the present rate of closure is too high, the working party has reported to the Foundries Economic Development Committee (Little Neddy).

The working party also found that small craft foundries had problems unlike those of other small companies and, therefore, required separate attention.

In particular, they suffered from extremely cyclical profitability, faced special environmental problems and had to make large investments relative to their turnover.

Frequently, they charged unrealistically low prices because of the inadequacy of costing methods. For these reasons, the small foundry sector had a record of poor profitability.

The working party believes that the Inland Revenue should introduce a capital loan scheme and extend the carry-back of tax rebates to help foundry owners cope with fluctuations in profitability.

It calls on the Department of Industry to develop specific industrial expertise in its small companies service and asks the Department of Trade to consider sympathetically the merits of a possible agreement to co-ordinate the date of foundry price increases.

The Department of the Environment, it suggests, should encourage the introduction of "more reasonable" demands on small foundries.

Foundrymen can also do much to improve profitability and efficiency. The working party recommends especially that they concentrate on adding value to the castings they already sell, and do not rely on selling a greater volume of castings in the future.

Kenneth Owen
and Ronald Kershaw

LETTERS TO THE EDITOR

Proposal on secretaries 'a restrictive practice'

From Mr Nicholas Baker, MP
for North Dorset (Conservative)

Sir, You reported (December 13) a new clause in the Companies Bill proposed by my colleague, Mr Graham Page MP, and carried in the committee stage, providing that all company secretaries of public companies must be professionally qualified in future.

As the only member of the committee who voted against this amendment, I would like to comment on this proposal.

The first point is that the secretary of a public company is not central to the management of the company and I know of no examples of company secretaries through incompetence as secretaries materially damaging either their company, or its shareholders or employees. Indeed, in many public companies, a registrar's department carries out many of the functions which in a private company are carried out by the secretary.

Secondly, the clause as adopted would prevent any

secretarial company, for example, a company formed by a clearing bank to provide this service, from being secretary of a public company in future. The only exception in the clause is that secretaries of existing public companies or persons who have been secretaries for three out of the previous five years of one public company (which would, of course, include a company) may act as secretary of another.

Thirdly, for some reason, certified accountants are excluded from the list of those permitted to perform this service; there are other contenders for the list of those suitably qualified.

This proposal, which will no doubt receive closer examination during the report stage of the Bill, will strike many as a statutory restriction on a profession which in this case I do not believe to be necessary in the public interest.

NICHOLAS BAKER,
House of Commons,
London, SW1A 0AA.

East Enders demand a say in their future

From the Rev Robert J. Yeomans

Sir, I have every sympathy with Sir Kenneth Thompson, chairman of Manchester County Council, who, as reported (December 10), is describing the proposed establishment of a development corporation for the area as a "monstrous" dictatorship opposed to every concept of local democracy. I wonder if I could ask him, through the columns of your newspaper, to have a quiet word in the ear of the leader of the Greater London Council (Knight to Knight) declaring knowledge of Psalm 19: 9: "and...all him that London's East Enders, like Merseysiders, are proud of their locality and demand a say in their future and that of their environment."

If created, the Development Corporation for Docklands will deprive East Enders of such a say in the same way as the similar proposals for Merseyside will render powerless our fellow dock-landers in the North.

Like Sir Kenneth I would say give our local councils the money and the power and let them get on with the job. I believe that they would get on with the creative task of developing our docklands instead of threatening to destroy the unique community of the Isle of Dogs with a six lane motorway or publishing dreams of a Utopian Olympic village at £10 per copy.

ROBERT J. YEOMANS,
Christ Church Vicarage,
Manchester Road,
Isle of Dogs
London, E14 9BN.

The ECC and Britain's oil

From Professor E. Haggard

Sir, Our EEC partners believe that it is not unreasonable to expect some subsidy on their natural assets such as agricultural produce together with high taxation on food imported into the EEC. Equally it would seem reasonable that we should accede to their request to treat them with special status regarding our oil and gas sales. Our oil and gas is among the most difficult and expensive to extract in the world and should be charged at a considerably higher price than the rest of the EEC. At the same time external supplies of oil and gas imported into the EEC should be higher taxed.

Your faithfully,
EDMUND HAGGARD,
School of Architecture and Building Engineering,
University of Bath,
Claverton Down,
Bath BA2 7AY.

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Representative: Roland Humbel

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BY THE FINANCIAL EDITOR

Driving the overseas wedge into Lloyd's

American disclosure regulations may have forced Marsh & McLennan out into the open earlier than it would have liked with its possible bid for C. T. Bowring. Even so, the move seems impulsive and may have been born out of MGM's frustration that plans for an ambitious premium pooling arrangement have foundered after eighteen months of hard talking.

It is not wholly clear why the pooling plan has failed though Bowring puts the last square in the American's court. What is clear though is that with Bowring spitalized at around £10m before suspension and presumably able to command a premium of at least 50 per cent, M & M will be taking on quite a challenge if it is to go ahead, even now that it can be equity in part payment. MGM's current capitalization is around \$970m (£443m).

One particularly odd aspect of the move is M & M's insistence that it would not like to upset Lloyd's, which it views as its most important market, and would thus go along with any general or particular ruling from Lloyd's committee.

This would mean that having taken over, M & M would be obliged to sell off 1 per cent of the broking interests in the one way that Frank B. Hall was obliged to divest itself of three-quarters of Leslie & Co. This is a successful takeover over would leave M & M with United Kingdom subsidiaries like Singer and Friedlander, Bowmaker and a small shipping vision, but only 25 per cent of the division which currently provides about two-thirds of the profits.

At the same time just as Lloyd's is important to M & M so the reverse is true, the American leader supplying rough various United Kingdom firms—possibly as much as a quarter of total annual earnings of £2,000m annually. Whatever the outcome of this move the pressure is on Lloyd's to come up with a solution to the dilemma over foreign control which appears more satisfactory to its giant American suppliers.

Without the Government

Actually the Government has been withdrawing from its involvement in ICL. First all there was an end to the loans, worth £10m (and still to be repaid—although on margins related formula which makes it likely that the day of retribution will never arrive), for the development of the series 00 computer; then a term (1980) was set for the preferential procurement policies enacted by government department; and now the reconstituted NEB has sold its 25 per cent stake in the company. So, the Government can do very well without ICL; it can ICL do without the Government? In the short-term the answer is evidently yes. The company's profits are on a strongly rising trend; the end to preferential procurement, although potentially a threat to sales (some 5 per cent of turnover is involved directly; may be as much as 18 per cent if local authorities and Government agencies are included) is unlikely to have an immediate impact; and the absence of information on search and development spending has raised a certain amount of speculation on cash requirements, it is plain enough that ICL can, if necessary, make do on internal resources in the foreseeable future. It is over what happens thereafter, that the questions ought to arise.

The company itself points out first, that £40m in loans notwithstanding, some two-thirds to three-quarters of the cost of developing series 200 was found internally; second, that since developments now evolutionary rather than revolutionary, next bout of heavy development spending is maybe 20 years away.

Given good management ICL should not be hampered with the sort of problems that tempt to integrate English Electric computers and ICL created in the early 1970s. If the cash requirements are under control, there are still questions over the risk.

At the moment ICL looks quite capable of dealing with the opposition; but its longer-term opportunities are likely to be

determined by policies laid down by the EEC. So doing without the Government is a relative matter.

SUMIT Unquoted possibilities

The vogue for small companies is looking a little long in the tooth now and perhaps dangerous, as the recession starts to bite. But it is still a tempting bandwagon to get on to if you can get the sums right.

The trick first is to find the funds (not necessarily difficult since the institutions became subject to moral pressure from successive governments and various committees like Wilson) and second to find the companies worth investing in. The latter is much more difficult as people like Equity Capital found out.

But a new vehicle, SUMIT (Sharp Unquoted Midland Investment Trust), may have an advantage in that it is Birmingham-based and well-versed in the ways of the West Midlands where of course a great untapped source of small companies still exists. SUMIT, the brainchild of brokers Albert E. Sharp, has collected an impressive list of eleven institutions as shareholders each of whom have committed between £250,000 and £750,000 to subscribe in a private placing of £1,040m equity and £4.16m 5 per cent preference stock (this to be drawn down over an anticipated three year period), £520,000 being available at the outset.

SUMIT is looking for sound unquoted companies in which it would take a maximum stake of 40 per cent (though ideally more like 20 per cent) and where it can get an initial yield of between 7 and 9 per cent rising to 15 per cent or more through a participating preference capital formula. These preference shares could be converted into equity at any time.

The snag now is to find those investments and to ensure that once made they continue to perform. A stake as small as 10-15 per cent should leave the proprietors with sufficient incentive, but there will always be concern about losing even this amount of control, especially as SUMIT will insist quite reasonably on close monitoring.

It remains to be seen whether SUMIT can come up with the West Midlands investments that have so often eluded "foreigners" from London, but its argument could well be more persuasive if a buy-back clause was included, something which SUMIT is not prepared to do at this stage.

Oil Waiting on Opec

Hopes that the world oil picture would clear in 1980 to make oil investment less of a hit-and-miss affair now appear to have been dashed by the events in the run-up to the Opec meeting in Caracas. Last week's initiative from the doves led by Saudi Arabia to take the sting out of the hawks' more strident price demands appears to have been neutralized by Libya's move to lever up the general price level by putting up its price to more than \$30 a barrel before the official two-day meeting got under way.

And it looks increasingly unlikely that there will be an early return to the unified pricing structure which would help prevent the price leap-frogging of the past year.

The Department of Energy wasted no time yesterday in letting it be known that North Sea oil prices would follow Opec prices up sooner rather than later although there was little immediate follow-through in North Sea companies with large producing interests.

Current valuations for North Sea shares highly geared to the oil price—and by and large that means the smaller groups like Ultramar, Lasmo, Tricentrol although ICI's Ninian share is now starting to influence even its level of profits—appear to be fully valued on current oil prices.

Plainly there are considerable doubts about the extent to which prices can go on rising in real terms in the face of the expected recession and the West's commitment to cut back oil imports.

In these last few weeks the world's monetary and banking system has been passing through its worst crisis since 1955.

In the years since the 1973-74 oil price explosion, the international banking system has performed admirably the essential function of recycling the huge Opec surpluses to those countries that were in consequent balance of payments deficit. This task is likely to become more difficult in the months after the Opec meeting at Caracas.

The root of the problem is that the financial war between Iran and the United States has sent a shudder through the banking system. The result of this is an inevitable contraction of the system's capacity to perform its task. It has undertaken in the last five years. The technical default on the Iranian borrowings, declared by the American banks led by the Chase Manhattan, has become a high-wire banking act for what it is, namely an act without much visible means of support.

Two episodes from recent history throw this present crisis into high relief. First, Turkey. When the four leaders of the western world met together at the Guadeloupe summit in January they concluded that Turkey could not be allowed to go bankrupt.

Turkey was a test case for the non-Communist world. It was a quality as a "Less Developed Country". It has a democratic government. It is key to the

southern flank of Nato. It must be saved.

But most studies, including one commissioned from leading western merchant banks by the Turkish central bank, concluded that Turkey owed some \$14,000m to banks and required \$12,000m a year for the next five years to have any chance. Further, the sum should be committed in advance so that the Turkish Government could base rational medium-term planning upon it. After Guadeloupe the Germans were given the lead in view of their close commercial and banking interests in Turkey. The initial promises were in the order of \$15m from Britain, \$100m from the United States and effect of their societies are probably be counted on the fingers of two hands.

It is symbolic that, when the IMF team went on from London to Cairo, their prescription led to instant bread riots. It should be noted that the Turkish government of Mr Ecevit did not survive his negotiations with the IMF in 1978-79.

We are, however, not dealing with temporary payments deficits, but with long-term structural problems. Here the private banking system has the wrong terms of reference. It has to do the financing, because no one else can. But it has to pretend to itself that it is acting on the basis of hard-headed commercial reality.

Most of the debtor countries in the

(The idea that the pound should go down to \$1.50 was closer to the surface than the IMF now like to admit). In return for this package, the IMF, it seems, would even have been prepared to condone substantial import controls.

The conclusion here is equally clear. The IMF has a very narrow mandate. It is concerned with providing finance to bridge temporary balance of payments deficits and it does so on the basis of austerity packages designed to remove the deficits within the short to medium term.

The number of democratic governments capable of imposing the 1976 austerity package and surviving without doing fundamental damage to the fabric of their societies are probably be counted on the fingers of two hands.

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Most of the debtor countries in the

world can only service their existing debts promptly if they can take up new borrowings promptly. And here lies the full significance of the present spasm.

Banks have no option but to roll over and renounce existing loans. However, bad the situation, they can only put a good face on it. But after the events of these weeks they will collectively be very chary about entering into large new commitments. Bankers do not like having to explain to their shareholders why they are throwing more good loans after bad.

The general shape of the solution is obvious. The private banking system will need strengthening and support to carry on its function. Governments cannot perform it. The IMF has neither the resources nor the right mandate for the main job, however useful its ordinary function. Private banks have the right mechanisms, if they can be supported effectively.

Jointly or severally, governments and central banks will be forced to set up some guarantee or insurance facility, run on commercial lines, with which the private banks can lay off the heavy country risks which the system requires them to bear.

A supranational Export Credits Guarantee Department might well serve as an initial model. If something of this kind is not done rapidly, the present spasm will rapidly turn into something altogether more serious.

How to keep the shop-floor in touch with reality

Apostolic calls for managers to go forth and spread the gospel of what the Confederation of British Industry calls "business realities" to employees, are growing a little shrill. Having repeated the theme continuously during the last month or so and sounding, he says, a little like "a worn out gramophone record", even Sir John Medhurst, the CBI's director general and one of the most fervent believers in the idea, is starting to sound somewhat discouraged.

This is not surprising in view of the bombardment of industrial indicators showing continuing poor productivity and soaring unit costs relative to those of our main competitor countries. It was not until the CBI embarked on its business realities campaign last month that many business leaders recognized the size of the communications chasm which has opened up between management and workers.

As an example of just how wide that gap is, a recent survey has shown 50 per cent of workers believe that companies in general are earning good profits. The reality is that overall profitability is at a record low.

The same research has shown that the majority of employees would have second thoughts about their pay claims if they thought their demands would damage future growth and investment.

It has a hard job. What is quite clear is that a radical change in management as well as employee attitudes is needed. The sad truth is that most middle and junior managers do not know the true profitability of their own operations.

If employees think profits are three times as high as the true figure, another CBI survey discovered that managers often think profits are twice as high as they really are; and only six out of ten managers could explain how profits are calculated and name the main items that account for a profit and loss account.

These are the people who are supposed to be providing a direct link with the shop-floor.

Even if the information is to be made available, management may fail as they attempt to get the facts to the men on the shop-floor. For in many heavily unionized plants with negotiating machinery built up probably over a year long period, it would simply be unthinkable for management to discuss the implications of a pay claim face-to-face with the men on the shop-floor.

Despite the difficulties, radical change is needed. But given the scale of the problem, it would be wrong to expect quick results. The danger is of giving up too soon.

Patricia Tisdall

Returns

His understanding, of course, will be affected by the accounting procedures of his company—and most companies are still wholly wedded to the historic cost method. Traditional methods show that British Companies appear to be giving a return on investment of 15 per cent.

But real profits, taking into account the true cost of replacing worn-out plant and equipment and such things as stockpiling raw materials, amount to less than 3 per cent—the lowest figure ever recorded.

If these global statistics are broken down to individual company and plant level, the picture may be more frightening than the proprietors care to contemplate let alone pass on to the world in general or their own workers in particular.

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Despite the difficulties, radical change is needed. But given the scale of the problem, it would be wrong to expect quick results. The danger is of giving up too soon.

Patricia Tisdall

No respite for the shipbuilders

State owned British Shipbuilders yesterday announced a trading loss of £53m for the first six months of the year. Peter Hill reports

British Shipbuilders set a precedent for itself yesterday by publishing for the first time in its short life a half-year financial statement. In contrast with the voluminous half-year statement of the loss-making British Steel Corporation the shipbuilders' 54-word long statement is a masterpiece of brevity.

The shipbuilding organization restricted itself to stating simply that the trading loss for the first six months of the year had amounted to £53m and said that it "believes" that the trading loss for the full year will be within the financial limit set by Sir Keith Joseph in the summer. This will involve keeping losses down to a level of £100m after taking account of assistance from the Government's shipbuilding intervention fund which is used to provide a subsidy to narrow the gap between British prices and those of overseas competitors.

In its first nine months of existence, BS recorded a loss of £108m and last year, its first full financial year, the loss was £49.5m although that figure excluded £12m in respect of restructuring costs which fell outside the scope of the Government-subsidized loss limit.

Next year the accounting policies are being changed so that the loss in 1980-81 will have to be kept to £90m before money from the intervention fund is included.

On that basis, and given that the Government has set a limit of £55m of intervention fund aid for next year (against £65m this year), the corporation will be forced to reduce its trading loss to only £35m if all of next year's intervention fund money is to be used.

The storm cover has already been hoisted. Mr Philip Hargreaves, managing director of Finance at BS said recently: "Serious efforts will have to be made by all concerned to achieve our

targets. As far as cash is concerned we are in serious danger of not being able to live within the limits set by Government."

BS is operating with a cash limit of £250m for the current financial year but the corporation is already in danger of over-spending and action has had to be taken to cut expenditure.

Sir Keith Joseph has consistently made it clear that he considers that the tax-payer is not prepared to continue funding unprofitable enterprises and that philosophy applies as much to BS as it does to British Steel.

About half of this year's £65m of intervention fund aid has already been committed on the 20 or so orders gained towards the corporation's target of 45 ships. This is the base-load required to keep the merchant yards going through the two or three lean years ahead.

The Government is still committed to disposing of certain of the BS assets to the private sector—"at the appropriate time". That remains a some way off and will almost certainly encompass only the naval yards. The merchant yards—with some exceptions—face a short-term future of almost unrelieved gloom.

The reduction in the industry's workforce since nationalization—two-and-a-half years ago has involved the loss of about 10,000 jobs. More jobs are due to go in the new year

and the failure to attract a minimum of 10 orders will mean still more reductions in the labour force.

The prospect of a national steel strike has already sent shipyard purchasing managers scurrying in search of alternative supplies and the strike, if it occurs, will certainly blow BS off its financial course. Like British Steel the shipbuilding organization cannot afford a cost-of-living pay increase for its 77,000 workers and executives will be appealing for common sense to prevail among the shipyard unions.

Improved efficiency and productivity are now absolutely vital to BS if it is to get through its difficulties. But there are other ways in which costs could be cut. The continued existence of two prestige headquarters blocks, one in Knightsbridge, London, and the other at Newcastle upon Tyne, is something which Sir Keith and his officials may start to question.

BS has consistently argued that it is necessary to maintain two headquarters, despite the duplication of office services, and the not inconsiderable costs involved in executives commuting week by week between London and the North-east.

The other factor which BS has to weigh is the state of world shipbuilding market prices. Costs of building in Britain are about 30 per cent higher than elsewhere but the corporation is only able to subsidize to the tune of 25 per cent of the cost of ships ordered in the United Kingdom.

Much of the delay involved in securing the much needed orders for Govan Shipbuilders on Clyde last week was caused by the BS request for the EEC Commission to approve a level of subsidy of between 25 to 30 per cent. The Commission, which is anxious to secure a massive reduction in state aid to shipbuilding, is taking a hard line on aid beyond agreed levels. It can be expected to get even tougher.

Business Diary: Korans, coypus and Cambridge

Cambridge University Press is one of the publishers licensed to print the Bible, so they're early on to a good thing. But P. up to date in many ways, is not print the Koran.

"I don't think the question ever came up," Andrew Brown, CUP's Islamic editor, told me. "The world would not be rather well off with the Koran already."

Nevertheless, the tide of wars in the Middle East has shed to advantage against P's doors. Says Brown: "I think it probably true that the recession which scholarly publications have experienced in the seventies, certainly in the eighties, has not been reflected in Islamic publications."

More and more students, says Brown, are enrolling in Islamic studies classes up and down the country whether as a full or a subsidiary subject. CUP is heaving away at this, having been lucky enough to have published in 70 Lampton, Lewis and Holt's two-volume Cambridge History of Islam, since 1976 available as four paperbacks.

CUP apparently received no cash from the Shah's time towards the capital cost of the six-volume Cambridge History of Iran which began to appear 10 years ago. Contrary to academic tradition, Volume One—W. E. Sherer's The Land of Iran—was the first to appear. However, some would say that it was the last.

Five years on, it is still the last. It is still the last.

Limitations on public spending are having an effect, peculiar to the fens, of sparking off a Coypu (illustrated right) baby boom. The Great Ouse Land Drainage Committee, which meets in Cambridge, has been told there will be no extra Mr. of Ar. cash to help put down this blighters who are said to do about £2m-worth of damage a year to river banks.

One Fellow of whom young relatives might entertain legitimate hopes this Christmas is Richard Newton, the bursar of Trinity Hall.

Newton has just attended his first board meeting as a non-executive director of the toy maker Berwick Timpo. The invitation was at the suggestion of Hill Samuel, adviser to Berwick as it was once on the textiles company Bury & Masco.

Until three years ago, when Bury & Masco was taken over by Scapa Group, Newton was a senior executive. Trinity Hall thereupon took over Newton, and he has been running the college's finances, and directing its investments ever since.

He told me: "I don't have any teaching duties. I am in touch with the undergraduates if they get into some sort of financial problem."

Not long after Newton, who read classics at St John's, came Trinity Hall was headhunted a directorship of dry-cleaning. Sketchley, a job he took, is anything, if not a bit of a joke.



Coypu (illustrated right) baby boom.

Sir John Stewart-Clark is a Balliol man and it therefore took something of an effort to reconcile himself to Cambridge. Until 1974 he was more familiar with Cambridge, Massachusetts, than Cambridge, England, having done a spell at the Harvard Business School.

Nevertheless, in that year he became managing director of the electronics company, Pye of Cambridge. He held this post until he was selected for (not unexpectedly for a lifelong Tory) and won his home constituency of East Sussex in this year's Euro-elections.

He told me: "The trouble with being in business, and in Cambridge is that business takes up so much of your time that you have to make a special effort or you don't get the best out of being there at all."

He had vowed to have a political as well as a business career, and with the Euro-elections looming, knew that he might not be in Cambridge forever.

Sir John is now treasurer of the European Democratic Group at Strasbourg, and has just signed up as a political weather-forecaster with A. T. Kearney.

Sir Duncan Wilson, the Master of Corpus Christi, tells me that the Committee of Enquiry into Public Records that he chairs is to report in the new year.

He has been burrowing away for the last two years at a radical view of the public records system with the help of Margaret Gowing, Professor of the History of Science at Oxford, Paul Osmond, Secretary to the Church Commissioners, and the committee's secretary, Graham Aylett, of the Department of Education and Science.

Their job has been to see how well the system established a quarter of a century ago by the Grigg Committee has been working. Since then the Public Record Office and departmental records officers within government have selected and preserved such records as might assist historians in the future.

Sir Duncan's committee was not asked to appraise the need for the 30-year rule on the release of state papers, and has been further circumscribed in its recommendations by a political atmosphere that rules out any wheezes involving major spending.

"We are concerned at the very great increase in the number of records, and with the possibilities of machine-readable data," he says.

"There is, for example, a great increase in interest in social history, which needs to draw upon public health and census material, but it is no use recommending every department immediately invests in computers and in getting them working."

Ross Davies

THOS. W. WARD LIMITED
Preliminary announcement
For the year ended 30th September 1979

- TRADING PROFIT up 19% (53% in past two years)
- NET PROFIT before taxation up 28% (98% in past two years)
- EARNINGS per share up from 15.8p to 21.0p
- DIVIDENDS increased 25% to 8.9p per share

- Results of rationalisation and better control reflected in performance
- Group financial position strong
- Confidence in facing expected economic difficulties

	1979 £000	1978 £000
Turnover	254,893	226,930
Trading Profit		
Iron and steel	4,283	2,760
Construction	7,092	7,160
(Associated companies £2,834,000, 1976-£3,177,000)		
Engineering	1,663	1,280
Motor vehicle distribution	2,990	2,295
Industrial services	1,572	1,321
	17,600	14,816
Profit before taxation	15,090	11,831
Earnings	12,076	8,948
Dividends (paid and proposed)	3,234	2,456
Profit retained	8,856	6,631
Fully diluted earnings per share	21.0p	15.8p
Dividends per ordinary share	8.9p	7.1p

Registered Office: Thos. W. Ward Ltd, Albion Works, Savile Street, Sheffield S4 7UL

FINANCIAL NEWS

Scrap metal aids Thos Ward

Mitchell
a difficult year which the engineering strike weather, heavy and cement manu-
Thos W. Ward turns
ag full-time figures.
year to September 30
made £15m pre-tax
1.8m on turnover up
to £263m.
The improvement is
to the rise in
e prices. Volume was
unchanged and
prices fell back in
half they were above
the previous

Haywood Williams' 38 pc advance

Phillips
materials supplier
and restaurant group
Williams managed a 38
ise in pre-tax profits
if year to October 31
problems caused by
er's engineering dis-
gias Oliphant, chair-
interim pre-tax
£514,000 compared
0,000. These profits
a 22 per cent im-
in turnover, up from
£12,96m.
It is recommending
dividend of 3p gross,
against 1.5p last time,
leaving a final of 4p
year's dividend to
is in line with the
forecast.

H B Jackson manages rise of 23 pc

based iron and steel
J. & H. B. Jackson,
n the profits growth
a 23 per cent surge
ar ending September
profits moved up
£5m to £755,000,
a extra £272,000 from
the sale of quoted
s. Last year's share
tripped in £489,000 to
tax profits taking the
to £2,779m.
Performance is on
ly 6 per cent from
£24.09m.

E BORDER & SOUTHERN
OCKHOLDERS TRUST
ITED

gers—JOHN GOVETT & CO. LTD.
year summary of results

	Per Share Earnings	Per Share Dividend	Per Share Currency Premium
ended October	3.14p	0.96p	54.7p
7	1.33p	1.10p	62.6p
7	1.64p	1.50p	78.9p
8	1.83p	1.70p	87.3p
9	2.39p	2.20p	86.8p

Total Net Resources £89,068,843
U.K. 66.9% North America 18.9%

s from Mr. C. Alan McLintock's review

net asset value was scarcely changed over a year in
markets fluctuated substantially. In London, the All-
index rose 11.6 per cent and its equivalent on Wall
rose 6.6 per cent in dollar terms. However, 1978/79
ear for British investors to stay in their own market,
he pound appreciated from \$1.97 to \$2.19 and the
cent currency premium fell from 40 per cent to 15 per
the American index is adjusted for currency and
m, it shows a fall of 21.6 per cent.

rust enjoyed a substantial increase in revenue, whilst
s per share have risen by nearly 31 per cent. This
n part, due to exceptional increases in U.K.
ds resulting from the ending of dividend restraint.
earnings of 2.39p, the Board recommended total
ds of 2.20p, compared with 1.70p last year. An
onal dividend of 0.35p, payable as a special interim
year to 30th September, 1980, has also been

commitment to manufacturing industry and to
rs in the U.K. has been reduced and we have built
energy sector of our portfolio world-wide, but
lv in North America where most opportunities
We retain our faith in Japan and the Pacific area
rganize that the short-term outlook there also is poor.
pose gradually to build up our overseas investments
far as this is consistent with the continuing rise in
c and dividends which we believe remains of
tute concern to shareholders.

The Eleco
GroupConstruction
and Engineering

Points from the Statement by the
Chairman, Mr. Frank Webster, for
Year ended 30th June, 1979.

- ★ Turnover up by 34% to £16.7m.
- ★ Pre-tax Profits up by 49.5% to a new record of £1.66m.
- ★ Dividends up by 50%.
- ★ "The Group is well equipped to face short term pressures and will be in a commanding position in its specialised fields when the situation becomes more settled."

Copies of the Report and Accounts for the year ended
June 1979 are available from the Secretary,
ELECO HOLDINGS LIMITED
Sphere Works, St. Albans, Hertfordshire.

year's average. The profit con-
tribution from iron and steel
rose from £2.7m to £4.2m.
Following the relaxation of
the rules prohibiting the export
of scrap metal, Ward has
increased its overseas sales
particularly to Spain.
The reorganization of the en-
gineering division, which in-
volved the sale and close down
of the loss-making subsidiaries,
has helped it improve despite
the strike in the motor industry.
A strong demand for cars has
boosted profits of the motor
distribution division though the
previous comparable period
was depressed by the Ford
strike.
Borrowings over the past year

Nat Carbonising's plan

By Michael Priest
National Carbonising, the
smokeless fuel, mining and
investment group, has seen pre-
tax losses in the first half to
September 30 rise by £51,000
to £206,000. But Mr Graham
Ferguson Lacey, the 31-year-old
evangelist who became chair-
man of the troubled company in
August, has ambitious plans.
Since the accounts were
drawn he has concluded that is
close to concluding agreements
to realize £45,000 from the sale
of the loss-making engineering
company AOT Flowmeters, and
£150,000 from selling mining
interests in Cumbria.
This eliminates two of
National Carbonising's main
losers. The deficit on mineral
mining and exploration in the
first half was £104,000, while
that on engineering was £82,000.
There is also the possibility of
further gains from disposing of
properties associated with the
engineering side. NCC Com-
m-221 Vehicles was sold in
November for £1.75m.
These disposals, which Mr

Briefly

WINSTON ESTATES
Eagle Star Insurance now holds
1.06m shares (18.11 per cent) in
Winston Estates. Trevor S. Pas-
more and family interests hold
£37,000 (10.12 per cent). Pre-
tax profit was 436,500 shares
(7.4 per cent).

TOM HILL HOLDINGS

Pre-tax profits for 10 months
to October 31, £31,000 against
£32,000 (10.12 per cent). No tax
(same). Company has completed
takeover of Free-Stay (in Britain)
and its offshoot, Tom Hill Hol-
idays, for £300,000 in 2.5 million
shares. Board hopes it will not
be long before company returns
to dividend list.

E. J. RILEY

Confidence that E. J. Riley, the
snooker and furniture group, will
under its chairmaned accounts. Post
results "despite generally difficult
conditions is expressed by the
chairman, Mr Alan R. Deal, in his
annual report.

A. R. SUGDEN

Mr Ian Partridge, FCA, a partner
in chartered accountants Post
Marwick, Mitchell & Co., has
been appointed receiver and man-

GUINNESS PEAT GROUP

Company has purchased Ronal
Oney and Partners, marine boat
insurance brokers, for £618,000.
A further sum based on the
adjusted profits of the group's UK
marine broking business will be
paid.

LEEDS & DISTRICT DYERS

Chairman says in his annual
statement that trading at the
moment is extremely difficult.
Liquid resources are adequate and

NEB INVESTS IN DOYCE

The National Enterprise Board
has made an investment in Doyce
Electronics of Fakenham, Norfolk,
which designs and manufactures
a range of digital electronic test
equipment for petrol and diesel
engines. The initial investment of
£80,000 will give the NEB 25 per
cent of the enlarged ordinary capi-
tal and 100 per cent of the prefer-
ence. A further £56,567 is ear-
marked for investment in 1980 in
the form of additional preference
shares.

NORTHERN FOODS

N. M. Rothschild & Sons
announces that the shareholders
of Bluebird Incorporated have
approved the proposed acquisi-
tion of Bluebird by Northern
Foods at a meeting held in Phila-
delphia on December 14, 1979.
The extraordinary meeting of
Northern to approve the acquisi-
tion of Bluebird will be held on
December 20.

VOLUNTEER

With effect from December 31
1979, Volunteer Holdings will
change its name to Charterhouse
Japhet Credit. The trading com-
panies within Volunteer, Volunteer
Finance, Volunteer Credit and
County Credit Finance, will
become Charterhouse Japhet
Finance, Volunteer Leasing, will
change its name to Charterhouse
Japhet Leasing.

DUPEL INTERNATIONAL

Chairman reports in his annual
statement that the board expects
a further increase in profit in
1979-80.

BROWN & JACKSON

Brown and Jackson has bought
75 per cent of Goffred and Paul
and Son, subject to vendors
obtaining clearance from Inland
Revenue. Price: £766,000.

ARLEN ELECTRICAL

Arlen has made further allot-
ment of 500,000 ordinary shares in
payment for Electronic and
Fluorescent Accessories.

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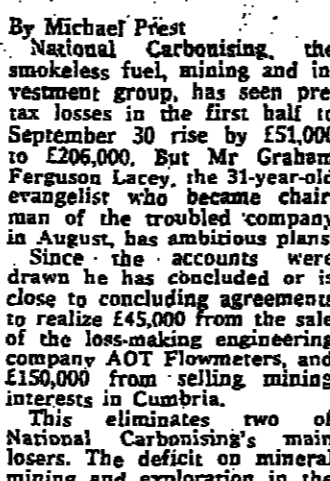
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Nat Carbonising's plan



Mr Graham Ferguson Lacey
chairman of National Carbonising.

Ferguson Lacey describes as
"cleaning up the company,"
leave National Carbonising with
four main assets: the original
smokeless fuel company, Rexon

which earned £110,000 in the
first half year; a Cumbrian
tungsten mine, Carrock Fell,
currently losing money; a 6.8
per cent stake in London,
Scottish and Marine Oil; and
about 5 per cent in a Bermuda-
based company, Weeks Petro-
leum.

The last two are the basis
of Mr Ferguson Lacey's plans
for switching out of the in-
dustrial sector into energy.
They represent 100p and 80p
respectively of National Car-
bonising's net assets value of
about 183p a share. If either
were to be the object of a bid,
National could cash in hand-
somer.

Mr Ferguson Lacey denies
any intention of selling either
Carrock Fell or Rexon. Geo-
logical proving is in progress
at the mine and could indicate
higher grade tungsten ore than
has hitherto been found. He
sees a strong future for smoke-
less fuel, as coal use increases,
and for Rexon's byproducts.
Nevertheless, the shares fell 7p
to 121p yesterday.

In these days of high interest
rates it is some comfort to know
that what little profit is available
is not being eaten up by heavy
servicing of debt.

JAMES GRANT (EAST)
Profits for nine months to Octo-
ber 31, £546,000 (against £603,000)
after deferred service charges, but
before tax.

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ment of 500,000 ordinary shares in
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Mr Graham Ferguson Lacey
chairman of National Carbonising.

Ferguson Lacey describes as
"cleaning up the company,"
leave National Carbonising with
four main assets: the original
smokeless fuel company, Rexon

which earned £110,000 in the
first half year; a Cumbrian
tungsten mine, Carrock Fell,
currently losing money; a 6.8
per cent stake in London,
Scottish and Marine Oil; and
about 5 per cent in a Bermuda-
based company, Weeks Petro-
leum.

The last two are the basis
of Mr Ferguson Lacey's plans
for switching out of the in-
dustrial sector into energy.
They represent 100p and 80p
respectively of National Car-
bonising's net assets value of
about 183p a share. If either
were to be the object of a bid,
National could cash in hand-
somer.

Mr Ferguson Lacey denies
any intention of selling either
Carrock Fell or Rexon. Geo-
logical proving is in progress
at the mine and could indicate
higher grade tungsten ore than
has hitherto been found. He
sees a strong future for smoke-
less fuel, as coal use increases,
and for Rexon's byproducts.
Nevertheless, the shares fell 7p
to 121p yesterday.

In these days of high interest
rates it is some comfort to know
that what little profit is available
is not being eaten up by heavy
servicing of debt.

JAMES GRANT (EAST)
Profits for nine months to Octo-
ber 31, £546,000 (against £603,000)
after deferred service charges, but
before tax.

ARLEN ELECTRICAL
Arlen has made further allot-
ment of 500,000 ordinary shares in
payment for Electronic and
Fluorescent Accessories.

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VOLUNTEER

The Woolwich



Sir Oliver Chesterton highlights

"the influence on our business of high and rising levels of interest rates."

Addressing shareholders at the 132nd Annual General Meeting of the Woolwich Equitable Building Society, the Chairman, Sir Oliver Chesterton, MC, FRICS, highlighted the dilemma faced by the Society in times when Minimum Lending Rate is used as the main tool of monetary policy. "On the one hand, we cannot chase rates up, bearing in mind the effect of a substantial increase on our existing borrowers," he said. "On the other hand, we need to offer a reasonable and competitive rate to investors, to try and ensure an adequate flow of funds for new mortgages." He reminded shareholders that MLR had changed five times in the past year, whereas the Society altered its own rate structure—upwards—only twice. "Obviously, therefore, our investment rates, though generally competitive, were not at all times the best available."

"The increase in investors' balances at almost £315m was £20m up on 1978, and 312,000 new investment accounts were opened with the Society."

The introduction of three new classes of term shares made a significant contribution to the flow of receipts. The net flow of savings, together with capital repaid on mortgages of almost £200m, enabled the Society to lend £490m to home buyers. This was £8m more than last year, although the number of loans, 39,000, was 6,600 less, a direct result of the substantial increase in house prices over the year. Assets increased by £343m, and membership of the Society by no less than 182,000 people.

WOOLWICH
EQUITABLE BUILDING SOCIETY
London SE18 6AB

Copies of the Annual Accounts of the Society and the full text of the Chairman's address are available from the Secretary at the Society's Head Office.

"We cannot isolate our business from the predicament of the economy generally."

That predicament is extremely tense and unhappy, observed Sir Oliver. "In order just to keep up in the home loans field in today's circumstances, we require a considerable increase in investment receipts, which must be gained against the competition not just of other institutions, not least the Government, but also against rising prices and living costs. We have to keep attracting more investments even to maintain, let alone increase, our number of mortgage advances." From the first of next month, he pointed out, borrowers will be charged the highest rate in the Society's history—15%, whilst investing members will receive the highest rate of interest ever paid. The share account rate, for example, is broadly competitive with the Clearing Banks and National Savings, and Sir Oliver expressed the hope that it will continue to be competitive for some time yet.

"We shall continue to keep our range of investment facilities under review so that the terms we offer are relevant and attractive."

"Forecasting is difficult at the best of times," said Sir Oliver, "particularly in these extremely uncertain times." He could not see the situation regarding the supply of mortgage finance improving in the short term. "It begins to look as though the year will be a hard one, but I believe our policies will enable us to come through it with credit, given the continued support of our staff and members."

An interim dividend of 2.36p gross has been declared compared with last year's 3.2p gross. Earnings per share have jumped from 1.54p to 18.15p.

After a searching scrutiny of its share register Consolidated Gold Fields has been unable to identify a single major buyer of its stock. Gold Fields' share price has risen 50p in about a month to close last night at 378p amid speculation of heavy buying preparatory to a bid, perhaps from South Africa.

But Gold Fields' survey is believed to have uncovered no major new holder or increase in existing holdings. On the

FINANCIAL NEWS

Competition slowing up Crown House

By Rosemary Unsworth

Crown House saw profits growth slip in the first half year thanks to suffer competition which is set to continue.

On turnover up by 34.5 per cent to £64.9m, pretax profits rose by only 14 per cent to £1.68m in the six months to September 30. Most of the profit increase was contributed by electrical distributor, Best and May, acquired earlier this year.

But, Mr P. Edge-Partridge, chairman, said that Best and May, like all the other divisions in the group, was fighting to maintain margins. Large export orders were anticipated.

The United Kingdom electrical and engineering contracting operations suffered from a general fall in work, which shows signs of continuing into

next year. "There has been no sign of an upturn—in fact there could be even more of a downturn," Mr Edge-Partridge said.

Overseas activities were "fairly buoyant" in the first half-year but the political and commercial climate in the Middle East is becoming less favourable, he added. Glassware profits have also been hit by competition, a factor which is now also affecting Crown's employment agencies as recruitment declines with the onset of recession. The property division, now playing an increasingly significant role in group activity, turned in a useful contribution.

The interim dividend rises from 3p to 3.2p, and the chairman said that the year's profit should exceed 1978's record £4m if engineering contracts complete. The figures are achieved as expected.

British Vita offers £4m for Vita-Tex

By Baron Phillips

British Vita, the rubber and plastics group, has made its long-awaited bid for the knitting company Vita-Tex. The offer is worth £4.18m and values the Vita-Tex shares at 125p.

The £4m bid is recommended by a month ago when discussions were held between the two companies. At the time of the suspension the shares were 71p but on the relisting yesterday morning the price bounced up by 45p to 116p.

The £4m bid is recommended by the Vita-Tex board and associates who between them own or control nearly 64 per cent of the shares.

Also included in the details of the offer is a buy-back transaction which allows certain Vita-Tex directors to acquire some of the company's properties which are not germane to its mainstream activities. A

price of £485,000 has been agreed between the directors and company and has the approval of British Vita.

Shareholders of Vita-Tex are offered three choices. They can take three ordinary 25p British Vita shares and £3.50 Guaranteed Unsecured Loan Notes, 1985, or three British Vita shares and £3.50 cash, or £12 cash.

The Loan Notes will be guaranteed by merchant bankers N. M. Rothschild & Sons and will bear interest at the National Westminster seven days withdrawal notice rate. The notes may be redeemed at holder's option from the end of April 1980.

Also included in the buy-back deal between Vita-Tex and some of its directors, apart from the property assets, will be the company's 49 per cent stake in Big J Clothing.

A. Cohen nearly trebles in first half

A Cohen, metal refiner and manufacturer of non-ferrous alloys, saw profits almost treble in the first half year in spite of an earlier warning that 1979 would be difficult.

Turnover rose from £11.76m to £16.2m and pretax profits from £1.27m to £3.42m in the six months to September 30. The board said that it expects profits for the second half not to be less than those of the first. Last year the group made a £6m profit. The share price rose a few pence to 263p.

Mr Robert Cohen, chairman, pointed out that in view of the proposed disposal of part of the group's £1.8m and interest in its South African subsidiary, Metal Sales Company (Proprietary), only the profits relative to its remaining 24 per cent have been included in the £47,000 share of profits from associates.

An interim dividend of 2.36p gross has been declared compared with last year's 3.2p gross. Earnings per share have jumped from 1.54p to 18.15p.

Helene of London buys Harold Lee

The takeover by Helene of London Ltd of Harold Lee has been completed. A payment of £500,000 on account has been made—£200,000 cash and the balance in 1.07m ordinary shares.

The Industrial and Commercial Finance Corporation has exercised its option, approved by shareholders on January 30, 1975, to subscribe at par for 1m ordinary 10p shares in Helene. ICF now holds 1.07m shares, or 10.8 per cent of the enlarged capital. The proceeds of subscription have been applied in reduction of Helene's loan from ICF, the balance of £38,000 having been repaid.

County & District in strong position

With rental and management income for the half-year to September 30 up from £462,000 to £493,000, County & District Properties is lifting the interim payment, gross, from 0.48p (adjusted) to 0.83p.

The amount available for distribution, before tax, is up from £250,000 to £309,000. The board expects further improvement in the second half. County's financial position remains very

strong and because of low borrowings it is not affected by recent rises in interest rates.

Half-time rise of 31 pc at Dom

Following the best-ever profit of £1.3m pre-tax made in 1978-79, further progress is reported by the Dom Holdings fixing products concern.

With turnover 22 per cent up at £7.05m, profits, before tax, rose by 31 per cent to £704,000 in the half-year to September 30. Dom's board explains that the improvement in net margins reflects the continued investment in machinery and tooling and the cancellation of overheads. In the second half, trading in the main areas is satisfactory. The interim payment is being lifted from 2.67p to 2.81p gross.

Decca in talks with PolyGram

Talks have started between Decca and the PolyGram Group on the sale of certain of the recording and music publishing activities of Decca. However, it will not be possible, as was previously indicated, to hold an extraordinary general meeting of Decca's ordinary shareholders for the purpose of approving proposed disposals before the end of the year. A further announcement will be made shortly.

First-half results up at Estates & Agency

At Estates and Agency Holdings, turnover (net rents receivable) for the first half of 1979 rose from £70,000 to £97,000. Pre-tax profits are up

from £28,000 to £47,000; there is a loss of £6,000 on the sale of freehold property, compared with nil last year. The figures include the results of Molyneux Securities (Charing Cross) and Asset House Properties for three months to June 30.

Record predicted by Kennedy Smale

Record profits are expected for the current year at the Bilston-based engineering firm of Kennedy Smale. Although sales dropped from £15.1m to £14.1m in the six months to September 30, pre-tax profits rose from £24,000 to £33,000.

In addition, there is an extraordinary credit of £98,000, before tax, on the sale of a factory. In spite of the unpromising outlook for the national economy, the board expects group progress to be maintained and the year's profits to top 1978-79's peak. Meanwhile, the interim payment is being raised from 1.31p to 1.4p gross, and the board expects a year-on-year rise of 4p gross, against 3p gross last year.

Barratt to buy Scottish Homes

Newcastle-based Barratt Developments is to make a 48p share cash bid for Scottish Homes Investment, the offer which has the backing of SHI directors and other shareholders representing 52.6 per cent of the company at £3.3m. Agreement has also been reached in the disposal of two SHI subsidiaries, R. L. Rae and John Kelly, & Son, the International Caledonian Assets.

RHP electrical division provides recovery

- Electrical Division surges ahead to provide more than 50% of Group profits.
- Bearings perform creditably, in difficult conditions.
- Fasteners recover, with a record year for sales and profits.
- Overseas sales approximately one third of total.
- A good year for overseas subsidiaries.

- Current trading conditions firm with a strong order book; prepared to meet difficulties as they arise.

Salient Figures

52 weeks to September 28, 1979

	1979	1978
Sales	98,417	88,388
Profit before tax	5,268	3,801
Profit available for Ordinary Dividends	3,856	1,873
Dividends per share	4.90p	4.29p
Earnings per share	13.3p	6.9p

To: The Assistant Secretary, Ransome Hoffmann Pollard Limited, P.O. Box 7, New Street, Chesham, Essex CM1 1PU.

Please send me a copy of your Annual Report for 1979.

Name

Address

Ransome Hoffmann Pollard Ltd

Business appointments

Sir John Read becomes deputy chief at Thorn

Sir John Read and Mr V. B. Menon have been made additional directors of Thorn Electrical Industries. Sir John becomes deputy chairman.

Mr Simon Pava has been appointed director of The British Non-Ferrous Metals Federation, the trade association representing the United Kingdom brass and copper alloy semi-manufacturing industry.

Mr D. A. M. Connell joins the board of Bessies. Mr Edmond R. Creggan also joins the board as group financial director.

Mr Eric Kinder becomes a director of Gola Cement Group. Mr W. D. Cameron has been made a director of Waverley Cement.

Mr David Jack has been appointed a director of Davenport Brewery.

Mr Michael Borlenghi becomes chairman of Totelectors following the retirement of Mr Michael Rathbone.

Mr Norman Pratt has been made marketing director of Wysepower. Mr Colin Marshall joins the United Kingdom Export of Reesday Bauknecht as marketing and sales director.

Mr Hugh Wilson has been made sales director of Reliance-Mercury. Mr Gordon Scott has been appointed chairman of Chyoda Fire and Marine Insurance (UK) in succession to Mr T. Tejima, chairman of the parent company, who continues as a director.

Mr Michael Summers, marketing director of Nickersons Seed Specialists, becomes managing director of the Nickerson agricultural seeds interests in France.

Mr Trevor Vey has joined the board of Skandia Life Assurance as technical director.

Mr Ronald King, managing director of the housing division of Tarmac, is the new president of the House Builders Federation.

Mr R. V. Jones is to become managing director of Guinness Peat International.

Mr C. V. Moore has been made a director of Telephone Rentals. Mr J. A. Dixon joins the board of John Plummer. He is chairman of Blackburn Brothers, a subsidiary of Unilever.

Mr Peter Edwards has taken over the chairmanship of Lake & Edgar from Mr Peter Lake, who has resigned from the board and become life president.

Mr F. A. Smurfit has been appointed chairman of Smurfit, United Kingdom subsidiary of the Jefferson Smurfit Group. He succeeds Mr P. S. Hayes who has retired.

Mr J. V. Carr becomes managing director of Simon-Vicars. Mr John Mays has joined Grindley Brothers Insurance Brokers as director responsible for group offices in the Middle East and Far East.

Mr Stephen Mogford has been appointed deputy chairman of British International Bank in succession to Mr Rupert Raw, who has retired but remains on the board.

Mr J. C. R. Downing has become non-executive director of Charterhouse Leathers (Midlands).

BRAZILIAN STERLING LOANS: DECREE LAW NO. 6019 State of Bahia 5% Funding Loan 1915

Notice is hereby given that for the Sinking Fund of the above Loan for January 1980 bonds for a nominal amount of £110 have been purchased and £8,430 drawn for redemption.

The following are the numbers of the bonds drawn for redemption at par on 1st January 1980 after which date all interest thereon will cease.

698 Series 'A' Bonds of £10 nominal value each = £5,980									
76	117	144	159	778	213	254	293	310	349
387	444	490	505	537	568	599	629	659	689
784	823	935	1005	1032	1058	1138	1172	1282	1333
1375	1454	1519	1670	1640	1677	1703	1729	1788	1791
1793	1830	1991	2026	2027	2036	2064	2111	2181	2271
2317	2399	2526	2526	2539	2589	2639	2689	2739	2789
2893	2908	2919	2920	3010	3032	3067	3070	3095	3142
3198	3267	3282	3317	3318	3435	3505	3507	3536	3558
3572	3587	3618	3618	3689	3749	3839	3892	3927	4024
4109	4136	4150	4151	4161	4198	4239	4299	4356	4360
4508	4538	4569	4609	4653	4699	4741	4823	4817	4852
5010	5062	5091	5133	5185	5200	5222	5233	5248	5282
5272	5487	5541	5584	5615	5639	5671	5684	5694	5732
5756	5833	5848	5812	5925	5925	5927	5959	5963	6001
6054	6114	6167	6260	6293	6300	6335	6357	6436	6500
6532	6553	6563	6582	6607	6651	6707	6759	6822	6838
6879	6939	6983	6972	7087	7094	7118	7148	7185	7275
7379	7405	7443	7491	7504	7520	7534	7588	7600	7613
7674	7707	7750	7769	7824	7839	7881	7933	8024	8077
8109	8122	8171	8204	8248	8285	8324	8367	8417	8460
8441	8473	8565	8581	8707	8726	8747	8837	8869	8918
8959	8976	8980	9044	9087	9113	9183	9204	9247	9289
9328	9328	9385	9456	9485	9499	9549	9589	9617	9659
9630	9668	9687	9735	9791	9825	9859	9929	9971	9990
10046	10158	10221	10262	10289	10383	10399	10441	10463	10471
10507	10527	10529	10647	10723	10789	10855	10891	10913	10914
10967	11011	11059	11103	11178	11253	11289	11315	11324	11324
11352	11389	11395	11477	11507	11536	11549	11582	11594	11654
11682	11712	11729	11721	11773	11842	11890	11891	11927	11980
12021	12072	12119	12229	12336	12448	12559	12681	12782	12820
12800	12804	12957	12952	13067	13089	13107	13253	13309	13324
13356	13423	13570	13611	13612	13667	13706	13769	13804	13870
13907	14146	14162	14262	14282	14429	14429	14758	14758	14801
14829	14847	14908	14953	14987	15022	15034	15111	15178	15214
15284	15245	15400	15413	15493	15508	15537	15592	15599	15680
15609	15610	15686	15700	15782	15837	15890	15894	15898	15953
16121	16148	16152	16182	16262	16289	16317	16317	16317	16317
16566	16581	16639	16642	16691	16708	16795	16798	16852	16855
16897	17072	17114	17184	17205	17299	17306	17331	17344	17364
17475	17513	17513	17582	17617	17682	17717	17758	17758	17758
18089	18119	18125	18217	18262	18301	18362	18453	18503	18613
18722	18817	18841	18861	18847	18888	18934	18951	19171	19174
19381	19381	19481	19481	19481	19481	19481	19481	19481	19481
19800	19825	19912	20003	20030	20050	20132	20176	20306	20326
20414	20435	20502	20514	20535	20536	20572	20667	20685	20781
20814	20823	20848	20848	20899	20909	20951	21001	21051	21153
21240	21265	21316	21362	21416	21469	21527	21549	21695	21739
21674	21702	21756	21810	21824	21889	21956	21981	21987	22039
22061	22081	22182	22269	22276	22300	22309	22314	22360	22

